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LETTER OF OFFER
June 09, 2025
For Eligible Equity Shareholders only

SOM DATT FINANCE CORPORATION LIMITED

Our Company was originally incorporated in Kolkata on October 19, 1993 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, West Bengal. Our Company was granted the Certificate for Commencement of Business on November 03, 1993 by the Registrar of Companies, West Bengal. The Company's Registered Office was shifted to the National Capital Territory (NCT) of Delhi, and a new CIN: L65921DL1993PLC377542, was issued on February 25, 2021, bearing Registration No. 377542. Further, the Company relocated its Registered Office to Telangana on August 13, 2024. The current CIN assigned to the Company is L65921TS1993PLC188494, bearing Registration No. 188494. For further details of our Company please refer to 'General Information' beginning on page **51** of this Letter of Offer.

Corporate Identity Number: L65921TS1993PLC188494
Registered Office: 8-2-502/1/A, Ground Floor, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad, Telangana - 500 034, India
Contact person: Ms. Neha Agarwal, Company Secretary and Compliance Officer
Telephone: 040 45267248 | **Mobile:** 9810228093 | **E-mail id:** compliancesdfl@gmail.com | **Website**: www.somdattfin.com

PROMOTERS OF OUR COMPANY: DR. BHASKARA RAO BOLLINENI & MR. BHAVANAM RUTHVIK REDDY
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SOM DATT FINANCE CORPORATION LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY
WE HEREBY CONFIRM THAT NONE OF OUR PROMOTERS OR DIRECTORS IS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS LETTER OF OFFER
ISSUE OF UP TO 70,05,579# FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹70 PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹60 PER RIGHTS EQUITY SHARE) AGREEGATING UPTO ₹4,903.91 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 07 (SEVEN) EQUITY SHARES FOR EVERY 10 (TEN) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS JUNE 06, 2025 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 07 (SEVEN) TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 182 OF THIS LETTER OF OFFER. ***# Assuming full subscription.***
GENERAL RISKS
Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to the statement of "***Risk Factors***" beginning on page **24** of this Letter of Offer before making an investment in this Issue.
ISSUER'S ABSOLUTE RESPONSIBILITY
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.
LISTING
The existing Equity Shares are listed on BSE Limited ("**BSE**") (hereinafter referred as "**Stock Exchange**"). Our Company has received 'in-principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated May 20, 2025. Our Company will also make applications to the Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE

RCMC

RCMC Share Registry Pvt. Ltd.
CIN: U67120DL1950PTC001854
Address:- B-25/1, 1st Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Telephone: 011-26387320, 21; Mobile:- 8527695125
Email: investor.services@rcmcdelhi.com, Website: www.rcmcdelhi.com
Investor grievance e-mail: investor.services@rcmcdelhi.com
SEBI Registration No.: INR000000429;
Contact Person: Mr. Ravinder Dua

ISSUE PROGRAMME		
ISSUE OPENS ON	**LAST DATE FOR ON MARKET RENUNCIATION***	**ISSUE CLOSES ON****
FRIDAY, JUNE 20, 2025	**MONDAY, JUNE 30, 2025**	**FRIDAY, JULY 04, 2025**

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

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

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TABLE OF CONTENT

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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 terms used in this Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

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

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

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, Takeover Regulations, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Industry Overview", "Statement of Special Tax Benefits" and "Restated Financial Statements" beginning on pages 67, 64 and 111, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.

Company Related Terms

Term	Description
"Our Company" or "the Company" or "the Issuer" or "Som Datt Finance Corporation Ltd" or "SDFL"	Som Datt Finance Corporation Limited incorporated under the Companies Act, 1956, having its registered office at 8-2-502/1/A, Ground Floor, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad, Telangana – 500034, India
"Act" or "Companies Act"	Companies Act, 2013 and Companies Act, 1956 to the extent applicable
"Articles of Association" or "Articles"	The Articles of Association of our Company, as amended from time to time.
"Audit Committee"	The Board of Directors of our Company's constituted 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.
Audited Financial Statements	Unless stated or the context requires otherwise, our financial data as at and for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022, included in this Letter of Offer is derived from the Restated Financial Statements for the Financial Year ended March 31, 2024, March 31, 2023 and March 31, 2022.
"Board" or "Board of Directors"	The Board of Directors of our Company or a duly constituted committee thereof or its duly authorised individuals.
Chairman	Dr. Bhaskara Rao Bollineni, the Chairman of our Board.
"Chief Executive Officer/ CEO"	Mr. Bhavanam Ruthvik Reddy, the Whole Time Director & Chief Executive Officer of our Company.
"Chief Financial Officer / CFO"	Mr. Shashank Shankpal, the Chief Financial Officer.
Committee(s)	Duly constituted committee(s) of our Board of Directors
"Company Secretary and Compliance Officer"	Ms. Neha Agarwal, the Company Secretary and the Compliance Officer of our Company.
Directors	Directors on the Board, as may be appointed from time to time

Equity Shareholders	Holders of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹10 each of our Company
Executive Director	Executive Directors of our Company
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" beginning on page 95 of this Letter of Offer
Key Managerial Personnel	The Key Managerial Personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Limited Reviewed Financial Information/ Limited Reviewed Financial Statements	The limited reviewed unaudited financial statements for the nine months ended December 31, 2024, prepared in accordance with the Companies Act and SEBI Listing Regulations
"Managing Director" or "MD"	Mr. Subba Rao Veeravenkata Meka (Mr. Venkata Subba Rao), Managing Director of our Company.
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer
Memorandum of Association or Memorandum or MOA	The memorandum of association of our Company, as amended from time to time
Nomination and Remuneration Committee	The Board of Directors of our Company constituted Nomination and Remuneration Committee in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.
Non-executive Director	Non-executive Director(s) on our Board, as described in "***Our Management***" of this Letter of Offer.
Promoter and Promoter Group	The promoter is as defined under Regulation 2(1) (oo) of the SEBI (ICDR) Regulations, 2018, and which are disclosed by the Company to the Stock Exchange from time to time and promoter group is as defined under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018, Dr. Bhaskara Rao Bollineni & Mr. Bhavanam Ruthvik Reddy are the Promoters/ Promoter Group of our Company.
Registered and Corporate Office or Registered Office	The Registered Office of our company which is located at 8-2-502/1/A, Ground Floor, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad, Telangana - 500034.
Registrar of Companies / RoC	The Registrar of Companies, Hyderabad, Telangana.
Restated Financial Statements	Our restated Ind AS summary statement of assets and liabilities as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, and restated Ind AS summary statement of profit and loss, restated Ind AS summary statement of changes in equity and restated Ind AS summary statement of cash flows for the nine months period ended December 31, 2024, and for the years ended March 31, 2024, March 31, 2023 and March 31, 2022 together with the annexures, notes and other explanatory information thereon, prepared in accordance with Ind AS and restated in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI.
Stakeholders' Relationship Committee	The Board of Directors of our Company constituted a Stakeholder Relationship Committee in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.
"Statutory Auditors" or Auditors	M/s. D.S. Talwar & Co**.,** Chartered Accountants are the Auditors of our Company.

Issue and Industry-Related Terms

Term	Description
2009 ASBA Circular	The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009
2011 ASBA Circular	The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011
2020 ASBA Circular	The SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
2022 ASBA Circular	The SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022
"Abridged Letter of Offer" or "ALOF"	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the rights entitlement of the respective applicant.
"Allotment", "Allot" or "Allotted"	Allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying in the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date/ / Date of Allotment	Date on which the Allotment is made pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renounce(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price
Application Form/ Common Application Form	Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue

Term	Description
Application Money	Aggregate amount payable at the time of application i.e. ₹70/- in respect of the Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI Circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2023/75 dated May 30, 2023.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
Banker(s) to the Issue	The Allotment Account Bank(s) to the Issue
Banker to the Issue Agreement	Agreement dated June 03, 2025 amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Equity Shares, 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 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 182 of this Letter of Offer
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Designated Branches/ Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/DLoF/DLOF	The draft letter of offer dated March 27, 2025 filed with the BSE Limited.
Eligible Equity Shareholder (s))/ Eligible Shareholders	Holder(s) of the Equity Shares of our Company as on the Record Date
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI

Term	Description
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, June 06, 2025and the Renouncee(s), if any.
ISIN	International securities identification number. The ISIN of the Company's equity shares is INE 754C01010
Issue / Rights Issue	Issue of upto 70,05,579 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹70/- per Rights Equity Share not exceeding ₹4,903.91 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 07 (Seven) Rights Equity Shares for every 10 (Ten) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. June 06, 2025.
Issue Closing Date	July 04, 2025
Issue Materials	Collectively, Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter, any other issue material relating to the Issue
Issue Opening Date	June 20, 2025
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹70/- per Equity Share
Issue Proceeds or Gross Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹4,903.91Lakhs# *#Assuming full subscription*
Letter of Offer or LOF	This final Letter of Offer to be issued by our Company in connection with this Issue
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renounce in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see "***Objects of the Issue*** " beginning on page 59 of this Letter of Offer
Non-Institutional Investor / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before June 30, 2025.
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being June 06, 2025.
Registrar to the Issue / Registrar	RCMC Share Registry Private Limited.
Registrar Agreement/	Agreement dated March 19, 2025, 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

Term	Description
Renouncee (s)	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement from the eligible equity shareholders on renunciation, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
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 June 30, 3035, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlements ISIN or RE ISIN	ISIN for Rights Entitlement i,e. INE754C20010
Rights Entitlement(s)	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder being 07 (Seven) Rights Equity Shares for 10 (Ten) Equity Shares held on the Record Date. The Rights Entitlements with a separate ISIN: INE754C20010 will be credited to the demat account of Eligible Equity Shareholders before the date of opening of the Issue, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022, and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Self-Certified Syndicate Banks or SCSB(s)	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi =yes&intmId=34 or http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes& intmId=40 or such other website as updated from time to time.
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter/ Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Hyderabad 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 Hyderabad are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Conventional and General Terms/Abbreviations

Term	Description
"₹", "Rs. ", "Rupees" or "INR"	Indian Rupees
A/c	Account
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AGM	Annual General Meeting
Arbitration Act	Arbitration and Conciliation Act, 1996.
AS / Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India as notified under the Companies (Accounts) Rules, 2014
AUM	Assets under management
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
Central Government / Government of India / GoI	Central Government of India.
CICs	Credit Information Companies.
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR/ CAR	Capital to risk assets ratio/ Capital adequacy ratio.
CSE	The Calcutta Stock Exchange Limited
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DPIT / DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, earlier known as Department of Industrial Policy and Promotion.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
EBIT	Earnings before interest and taxes
DIN	Director Identification Number
EBITDA	Earnings before interest, tax, depreciation and amortisations. Calculated by using the Profit/(loss) after tax for the year/ period adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss.
ECS	Electronic Clearance Service
EGM	Extraordinary General Meeting
EMIs	Equated monthly instalments
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per Equity Share
ETF	Exchange Traded Fund
ESI Act	Employees' State Insurance Act, 1948
FDI	Foreign Direct Investment.
FCNR Account	Foreign currency non-resident account
-	-

Term	Description
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIFP	The Foreign Investment Facilitation Portal
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
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
ICSI	The Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IT	Information Technology
Income Tax Act	Income-Tax Act, 1961
India	Republic of India.
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
MSME	Micro Small and Medium Enterprises
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NACH	National Automated Clearing House
"Net Asset Value per Equity Share" or "NAV per Equity Share"	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31 or December 31, as the case may be.
NEFT	National Electronic Fund Transfer.
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial company(ies)
NCD(s)	Non-convertible debentures
NHB	National housing bank
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NPA(s)	Non-performing assets
NRE Account	Non-resident external account

NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
p.a.	Per annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent account number
PBT	Profit Before Tax.
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
PFUTP Regulations	Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003.
QP	Qualified purchaser as defined in the U.S. Investment Company Act
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real-Time Gross Settlement.
Regulation S	Regulation S under the U.S. Securities Act
REPO	Repurchase Agreement.
RONW	Return on Net Worth
RoC	Registrar of Companies, Hyderabad, Telangana
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SAT	Securities Appellate Tribunal.
SCN	Show Cause Notice.
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations or "SEBI LODR"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021.

Term	Description
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Takeover Regulations / SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SMS	Short Message Service
Stock Exchange	BSE
STT	Securities transaction tax
State Government	The Government of a State in India
Supreme Court	Supreme Court of India
Trademarks Act	Trademarks Act, 1999
TDS	Tax Deducted at Source.
TAT	Turnaround time
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U. K.	United Kingdom
UPI	Unified Payments Interface
"U.S.$ ", "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
"USA", "U.S. " or "United States"	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VAT	Value Added Tax
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from.
WHO	World Health Organization
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31.

NOTICE TO INVESTORS

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

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and/ or courier this Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company and have provided an email address to our Company. Further, this Letter of Offer will be provided, through email and/ or courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and have provided an email address to our Company and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar of our Company, and the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

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

Any person who makes an application to acquire the Rights Entitlements or the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements or the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. Our Company, the Registrar or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

Neither the delivery of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Letter of Offer and the Abridged Letter of Offer and the Application Form and Rights Entitlement Letter or the date of such information.

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

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

NO OFFER IN THE UNITED STATES

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

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

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

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

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

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

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

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

(THIS SPACE IS INTENTIONALLY LEFT BLANK)

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this 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 Letter of Offer is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this 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 Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer have been derived from our Restated Financial Statements. For details, please see "***Restated Financial Statements***" beginning on page 111 of this Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules.

The Restated Financial Statements of our Company for the Financial Years ended March 31, 2024, March 31, 2023, March 31, 2022 and for the nine months ended December 31, 2024 are prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this 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 Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "***Financial Information***" beginning on page 111 of this Letter of Offer.

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

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" beginning on pages 24, 90 and 160 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

(in ₹)

Sr. No.	Name of the Currency	Exchange rate as on			
		December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
1.	United States Dollar	85.62	83.37	82.21	75.81

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

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

Industry and Market Data

Unless stated otherwise, industry and market data used in this 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 Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors***" beginning on page 24 of this 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 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 Letter of Offer contains certain "forward-looking statements". Forward looking statements appear throughout this 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 Letter of Offer that are not historical facts. These forward-looking statements contained in this 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:

1. We may not be able to obtain, renew or maintain statutory and regulatory permits and approvals required to operate our business, which may materially and adversely affect our business, results of operations, cash flows and financial condition.

2. We are subject to downtimes or failures of our information technology ("IT") systems. Such events may damage our reputation and adversely impact our business and financial results.

3. Our investments are subject to market and credit risk. Any decline in value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

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

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

8. We currently have negative cash flows from the investment activities of our Company.

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

10. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

11. As the Equity Shares of our Company are listed on the Stock Exchange, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and to comply with other SEBI Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.
12. We outsource certain operational activities to third-party IT service providers. Any lapse by such third-party service providers may have adverse consequences on our business and reputation.
13. Any failure, or perceived failure, by us to comply with the applicable regulations on personal information protection could expose us to proceedings and fines which may adversely affect our reputation, business, results of operations, cash flows and financial condition.
14. Any non-compliance with mandatory anti-money laundering ("AML"), combating-terrorism financing ("CFT") and know your customer ("KYC") laws could expose us to liability and harm our reputation.
15. We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.
16. We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio.
17. Our business is subject to various operational risks associated with the financial industry, including fraud.
18. The new bankruptcy code in India may affect our rights to recover loans from borrowers.
19. Any failure or disruption or change of our information technology systems may adversely impact our business and operations.
20. As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.

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 24, 90 and 160 respectively, of this 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 Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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

SECTION II- SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled "***Risk Factors***", "***The Issue***", "***Capital Structure***", "***Objects of the Issue***", "***Industry Overview***", "***Our Business***", "***Outstanding Litigation and Defaults***" and "***Terms of the Issue***" beginning on pages 24, 51, 57, 59, 67, 90, 168, and 182 respectively of this Letter of Offer.

1. Summary of Industry

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

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

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

For details, please refer to chapter titled "***Industry Overview***" on page 67 of this Letter of Offer.

2. Summary of Business

The Company is a Non-Systematically Important Non-Deposit Company, categorized as an Investment and Credit Company (ICC), and is registered with the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934. The Company was initially granted a Certificate of Registration by the RBI on March 29, 2005, under Registration No. B.05-02987. This certificate was later updated, and a new Certificate of Registration was issued on September 23, 2021, with Registration No. B-14.03556, allowing the Company to continue operating as a Non-Banking Financial Company (NBFC). This certificate was later further updated, and a new Certificate of Registration was issued on February 27, 2025, with Registration No. N-09.00492, allowing the Company to continue operating as a Non-Banking Financial Company (NBFC).
For details, please refer to chapter titled "***Our Business***" on page 90 of this Letter of Offer.

3. Our Promoter

The present Promoters of our Company are Dr. Bhaskara Rao Bollineni. & Mr. Bhavanam Ruthvik Reddy.
For further details please see chapter titled "Our Promoters" beginning on page 107 of this Letter of Offer.

4. Objects of the Issue

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

S. No.	Particulars	Total estimated amount to be utilized (₹ in lakhs)
1.	To augment our capital base and for increasing our operational scale with respect to our NBFC activities	4,500.00
2.	General Corporate Purposes	343.91
Total Net Proceeds		**4,843.91**

For further details, please see chapter titled "Objects of the Issue" beginning on page no 59 of this Letter of Offer.

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

Both our Promoters have vide their respective letters dated March 27, 2025 (the "Subscription Intent Letters") have confirmed that they (i) will subscribe to the full extent of their respective Rights Entitlements in the Rights Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced between the Promoters); (ii) will subscribe to additional Rights Entitlements over and above their respective Rights Entitlements, if any, which are renounced in their favour by the other Promoter and (iii) may subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, shall be made to the extent that: (a) it does not result in any obligation on them as Promoters to make an "open offer" in accordance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 2011; and (b) the aggregate shareholding of the Promoters being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulations) Rules 1957 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

6. Summary of Financial Information

Following are the details as per the Restated Financial Statements as at and for the nine months ended December 31, 2024 and Financial Years ended on March 31, 2024, March 31, 2023, and March 31, 2022:

(₹ in lakhs)

Particulars	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Authorised Share Capital	2,500.00	2,500.00	2,500.00	2,500.00
Paid-up Capital	1,000.80	1,000.80	1,000.80	1,000.80
Net Worth attributable to Equity Shareholders	3,380.85	3,545.26	2,335.70	2,263.62
Total Revenue	70.50	1,502.95	134.48	539.26
Profit / (Loss) after tax	(164.35)	1,209.73	72.07	384.03
Other comprehensive income/(loss) for the year, net of tax	(0.06)	(0.18)	0.01	(0.04)
Total Comprehensive income/(loss) for the year	(164.41)	1,209.56	72.08	383.99
Earnings per Share (basic & diluted) (in ₹)	(1.64)	12.09	0.72	3.84
Net Asset Value per Equity Share (in ₹)	33.78	35.42	23.34	22.62
Total Borrowings	-	-	-	-

7. Summary of Outstanding Litigations:

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

(₹ in lakhs)

Nature of Cases	Number of outstanding cases	Amount Involved*
Litigation involving our Company		
Criminal proceedings against our Company	Nil	Nil
Criminal proceedings by our Company	Nil	Nil
Material civil litigation against Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory authorities	Refer Page 168	Refer Page 168
Direct and indirect tax proceedings	Nil	Nil
Litigation involving our Directors		
Criminal proceedings against our Directors	Nil	Nil
Criminal proceedings by our Directors	Nil	Nil
Material civil litigation against our Directors	Nil	Nil

Material civil litigation by our Directors	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Refer page 170	Refer page 170
Litigation involving our Promoter		
Criminal proceedings against our Promoter	Nil	Nil
Criminal proceedings by our Promoter	Nil	Nil
Material civil litigation against our Promoter	Refer page 170	Refer page 170
Material civil litigation by our Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Refer page 170	Refer page 170
Litigation involving our Subsidiaries		
Criminal proceedings against Promoter	Nil	Nil
Criminal proceedings by Promoter	Nil	Nil
Material civil litigation against Promoter	Nil	Nil
Material civil litigation by Promoter	Nil	Nil
Actions by statutory or regulatory authorities	Nil	Nil
Direct and indirect tax proceedings	Nil	Nil

** To the extent quantifiable.*

For details, please refer to chapter titled "***Outstanding Litigations and Defaults***" on page 168 of this Letter of Offer.

8. **Risk Factors:**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "***Risk Factors***" on page 24 of this Letter of Offer.

9. **Summary of Contingent Liabilities**

Following are the details as per the Restated Financial Statements for the nine months ended December 31, 2024 and Financial Year ended March 31, 2024, March 31, 2023, and March 31, 2022.

(₹ in lakhs)

Particulars	As at December 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Claims against the Company not acknowledged as debt	-	-	3.00*	-
Guarantees	-	-	-	-
Other money for which the Company is contingently liable	-	-	-	-

**after absorption of refund claimed ₹3.87 lakh reflected as an asset in the Balance Sheet for the year ended March 31, 2023.*

10. **Summary of Related Party Transactions**

Please refer "***Financial Information***" beginning on page 111 of the Financial Information in this Letter of Offer.

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

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

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

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

SECTION III– RISK FACTORS

An investment in the Equity Shares involves a high degree of risk. You should carefully consider all the information in this Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and risks involved. The risks described below are not the only ones relevant to us, our Equity Shares, the industry or the segment in which we operate.

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

To obtain a complete understanding, you should read this section in conjunction with the sections "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Position and Results of Operations" on pages 67, 90 and 160 of this Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, has independently verified the information in the industry report or other publicly available information cited in this section. This Letter of Offer also contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled "Forward-Looking Statements" on page 19 of this Letter of Offer.

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

Materiality:

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

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

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

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

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Som Datt Finance Corporation Limited.

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

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. **We may have to comply with regulations and guidelines issued by regulatory authorities in India, including the Reserve Bank of India, which may subject us to penalties or business restrictions and increase our compliance costs.**

   We are subject to strict regulations prescribed by the RBI, and the RBI exercises a supervisory role over our business. Our business and financial performance could be adversely affected by changes in the laws, rules, regulations or directions applicable to us and the non-banking financial companies, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations governing our business, operations and investments.

   Applicable regulations set forth various requirements in relation to, among other things, the manner in which a company carries out its business and internal operations, and various periodical compliances and filings, including but not limited to filing of forms and declarations with the relevant registrar of companies, the RBI and other relevant authorities. Further, notification of new regulations and policies may require us to obtain approvals and licences from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations. New regulation may also change the manner in which we conduct KYC or authenticate our customers. Any such changes and the related uncertainties with respect to the implementation of new regulations may have an adverse effect on our business, results of operations, cash flows and financial condition. If we fail to comply with such requirements, we may be subject to penalties, business restrictions or compounding proceedings.

   The regulatory and legal framework governing us differs in certain material aspects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve.

   Furthermore, our Company is categorized in the "Base Layer" under the SBR Regulations, and accordingly, we are subject to certain additional capital, prudential guidelines, regulatory changes and governance requirements, based on the bracket we fall within.

   Uncertainty in the applicability, interpretation or implementation of the above regulations may impact the viability of our current business or restrict our ability to grow our business in the future. If the interpretation of regulations by the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. Any changes in the existing regulatory framework, including any increase in the compliance requirements, may require us to divert additional resources, including management time and costs such as legal consultations or staff training required for such increased compliance. Such an increase in costs could have an adverse effect on our business, prospects, financial condition and results of operations. Additionally, our management may be required to divert substantial time and effort towards meeting such enhanced compliance requirements and may be unable to devote adequate time and efforts towards our business, which may have an adverse effect on our future business, results of operations, cash flows and financial condition.

2. **We are subject to downtimes or failures of our information technology ("IT") systems. Such events may damage our reputation and adversely impact our business and financial results.**

   We are highly dependent on our IT systems, which cover all key areas and stages of our business, including customer sourcing, onboarding, underwriting as well as collections.
   Although we shall have IT disaster action plans in place to deal with any potential downtime or failure in our IT systems, we may not be able to prevent such downtimes or failures which could damage our reputation and have a material adverse effect on our business, results of operations and financial condition. For example, any shortcoming in our IT systems may lead to a delay in the payment of our obligations under our borrowings or in any other payment processing.
   Further, we rely on external vendors for certain parts of our operations, such as for Loan Management System, Loan Origination and for maintaining accounts. payment processing, information processing and other services. Failures or breaches in external vendors' systems could lead to significant information loss, legal liabilities, disruption of business operations and damage to our reputation and competitive position. Any downtime/disruptions of IT systems may have material adverse impact on our business and operations, and if for a prolonged period of time or at a large scale could potentially impact our business, results of operations, cash flows, financial condition and reputation.

3. **Our investments are subject to market and credit risk. Any decline in value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.**

Some of our investments, which primarily include government securities, mutual funds, derivative financial instruments, securities receipt of ARC and unquoted equity shares, are subject to market risks. The following table sets forth our total investments, as at the dates indicated:

Particulars	Unit	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Total assets	₹ lakhs	3,403.17	3,569.13	2,355.00	2,291.51
Investments	₹ lakhs	3,124.70	3,220.26	2,135.13	1,762.01
Investments to Total assets	%	91.8%	90.2%	90.7%	76.9%

The value of these investments and future investments depends upon several factors beyond our control, including the domestic and international economic and political scenario, volatility in interest rates and securities market, inflationary expectations and the RBI's monetary policies. Further, investment in debt mutual funds and fixed deposits also carry credit risk and any inability of the counterparty in repaying the funds invested in timely manner may adversely affect our business, results of operations, cash flows and financial condition. Any decline in the value of these investments may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

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

Our business is highly dependent upon our timely access to, and the costs associated with, various sources of funding. Our business will depend on our ability to access diversified borrowing and funding sources from within and outside India. Our ability to borrow on acceptable terms and at competitive rates continues to depend on various factors, including, but not limited to, (i) our credit ratings; (ii) policy initiatives and the regulatory environment; (iii) liquidity in the markets; (iv) the attractiveness of debt of our Company to investors and lenders; (v) our current and future results of operations and financial condition as well as (vi) general access to liquidity for NBFCs.

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

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

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

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

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

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

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

8. **We currently have negative cash flows from the investment activities of our Company**

   We currently experience negative cash flows from the investment activities of our Company, as reflected in the audited restated standalone financial statements. There is no assurance that our investment activities will generate positive cash flows in the future, or that, if positive cash flow is achieved, we will be able to sustain it over time. This could adversely affect our growth, expansion plans, and overall results of operations.

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

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

10. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Our policies and procedures to identify, monitor and manage risks may not be fully effective and may be subject to human error. Some of our risk measuring criteria are based on the use of monitored historical market behaviour. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures. For more information on our risk management, see "Our Business" beginning on page 90 of this Letter of Offer.

Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Additionally, management of operational, legal or regulatory risk requires, among other things, policies and procedures to ensure certain prohibited actions are not taken and to properly record and verify a number of transactions and events. Although we have established such policies and procedures, they may not be fully effective, and we cannot guarantee that our employees will follow these policies and procedures as envisaged in all circumstances. Unexpected shortcomings in these policies and procedures or a failure of our employees to follow them may have a material adverse effect on our business, results of operations, cash flows and financial condition.

Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates, and the adequacy of our allowances for loan losses. To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses.

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

The Equity Shares of our Company are listed on Stock Exchange; therefore, we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations to the extent applicable, and have to adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non- compliance which might have been committed by us, may result into Stock Exchange and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. The company has made certain delayed submissions during 2014 to 2019 relating to Regulations 13(3), 29(2), 29(3) and 33 of the SEBI (LODR) Regulations and was fined for non-compliance of standard operating procedure related to suspension and revocation of suspension for trading in specified securities. A consolidated fine has been levied by the exchange and the company has paid the fine amount of ₹14.74 Lakhs. For further details please refer to the Chapter "Outstanding Litigations and Defaults" beginning on page number 168 of this Letter of Offer. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

12. We outsource certain operational activities to third-party IT service providers. Any lapse by such third-party service providers may have adverse consequences on our business and reputation.

We rely on third-party service providers for certain IT-related services including, among others, data centers, IT maintenance, payment interface platforms, cloud and data analytics platforms and document storage. We also rely on collection agents and any deficiency or failure by such third parties in performing their services or any events that affect our collection network could adversely affect our business, results of operations, financial condition and cash flows.

Our internal teams regularly assess the financial and operational health of our service providers to ensure they can fulfill their obligations. This review includes checking performance standards, confidentiality and security. Our internal audit team also regularly audits all our businesses and function and ensures their compliance with the RBI regulations that govern outsourcing arrangements, such as the requirement to outsource software licences out of India. We sometimes have external firms conduct on-site vendor audits for critical functions. However, there can be no assurance that such measures would prevent the risk of our service providers failing to meet their contractual duties, committing fraud, making operational mistakes, or having inadequate business continuity and data security systems. Any such lapse by our third-party service providers may have adverse consequences on our business and reputation.

Furthermore, while our contracts with third-party service providers often include indemnification for statutory payments, fines and employee benefits, they do not cover losses or damages caused by their personnel's actions or inactions. In the event of any such occurrence, we may incur losses, and to that extent, our business, results of operations, cash flows and financial condition may be adversely affected. Further, these contracts are generally subject to unilateral termination by either party. Any such termination by the service providers and our inability to appoint suitable replacements may adversely affect our business, results of operation and financial condition.

13. Any failure, or perceived failure, by us to comply with the applicable regulations on personal information protection could expose us to proceedings and fines which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

Regulators in various jurisdictions are increasingly scrutinizing how companies collect, process, use, store, share and transmit personal data. This increased scrutiny may result in new interpretations of existing laws, thereby further impacting our business. In India, the Digital Personal Data Protection Act, 2023 (the "**Data Protection Act**") has been enacted (but is yet to be made effective) for implementing organisational and technical measures in processing personal data, laying down norms for cross- border transfer of personal data to ensure the accountability of entities processing personal data. The Data Protection Act introduced stricter data protection norms for an entity such as ours and may impact our processes. The Data Protection Act is instituted to maintain the highest level of security and protection for all such information regarding our various customers. Any failure, or perceived failure, by us to comply with any applicable regulatory requirements, including but not limited to privacy, data protection, information security, or consumer protection related privacy laws and regulations, could result in proceedings or actions against us by governmental entities or individuals who may subject us to fines, penalties, and/or judgments, which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

Furthermore, despite our efforts to comply with applicable laws, regulations and other obligations relating to privacy, data protection and information security, it is possible that our interpretations of the law or practices could be inconsistent with, or fail, or be alleged to fail to meet all requirements of, such laws, regulations or contractual obligations, which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

14. Any non-compliance with mandatory anti-money laundering ("AML"), combating-terrorism financing ("CFT") and know your customer ("KYC") laws could expose us to liability and harm our reputation.

In accordance with the requirements applicable to our Company, we are mandated to comply with AML, CFT and KYC regulations in India. These laws and regulations require us, among other things, to adopt and enforce AML, CFT and KYC policies and procedures. While we have adopted policies and procedures aimed at collecting and maintaining all relevant AML, CFT and KYC related information from our customers in order to detect and prevent the use of our networks for illegal money- laundering and terrorism financing activities, there may be instances where we collected information that may be used by other parties in attempts to engage in money-laundering, terrorism financing and other illegal or improper activities. In addition, a number of jurisdictions (including India) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement certain provisions of the U.S. Internal

Revenue Code of 1986, commonly known as FATCA. Pursuant to these provisions, as part of our KYC processes, we are required to collect and report certain information regarding U.S. persons having accounts with us.

We have not had instances of breach of any applicable AML, CFT or KYC regulations and we consider that we have adequate internal policies, processes and controls in place to prevent and detect AML activity and ensure KYC compliance (including FATCA compliance). We may however not be able to fully control instances of any potential or attempted violation by other parties and may accordingly be subject to regulatory actions, including imposition of fines and other penalties by the relevant government agencies to whom we report to, including the Financial Intelligence Unit–India. Our business and reputation could suffer if any such parties use or attempt to use us for money-laundering, terrorism financing or illegal or improper purposes and such attempts are not detected or reported to the appropriate authorities in compliance with applicable regulatory requirements.

We are required to undertake customer due diligence procedures, including by verification of official valid documents and place of business/employment or residence, as applicable, in accordance with the Master Direction–Know Your Customer (KYC) Direction, 2016 issued by RBI, as updated from time to time. Such information includes representations with respect to the accuracy and completeness of valuation reports and title reports with respect to the property secured, as applicable. Any failure to comply with the applicable laws relating to Aadhaar or otherwise may expose us to penalties and regulatory scrutiny which may damage our reputation and lead to loss of customer confidence, which could have a material adverse impact on our business, results of operations, cash flows and financial condition.

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

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub - registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

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

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

17. Our business is subject to various operational risks associated with the financial industry, including fraud.

Our business is subject to various operational and other risks associated with the financial industry, including:

- inadequate procedures and controls;
- failure to obtain proper internal authorisations;
- misreporting or non-reporting with respect to statutory, legal or regulatory reporting and disclosure obligations;
- improperly documented transactions;

- customer or third-party fraud, such as impersonation or identity theft or approval of loans on false pretences or inflated property values;
- failure of operational and information security procedures, computer systems, software or equipment;
- the risk of fraud or other misconduct by employees;
- failure to detect money laundering and other illegal or improper activities;
- unauthorised transactions or embezzlement by employees; and
- inadequate training and operational errors, including record keeping errors or errors resulting from faulty computer or communications systems.

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

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code Further, the GoI vide notification dated March 24, 2020 ("**Notification**") has amended section 4 of the Bankruptcy Code due to the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

19. Any failure or disruption or change of our information technology systems may adversely impact our business and operations.

We use information technology systems to monitor all aspects of our business and rely significantly on such systems for the efficient operations and the security of our information. Our information technology systems may not always operate without interruption and may encounter temporary abnormality or become obsolete. Further, we cannot assure you that the level of security we presently maintain is adequate or that our systems can withstand intrusions from or prevent improper usage by third parties. We may not always be successful in installing, running and migrating to new software or systems as required for the development of our business. Even if we are successful in this regard, significant capital expenditure may be required, and we may not be able to benefit from the investment immediately. All of these may have a material adverse impact on our operations and profitability.

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

Under section 45N of the Reserve Bank of India, 1934 ("RBI Act") we are subject to periodic inspections by the RBI to verify the correctness or completeness of any statement, information, or particulars furnished to the RBI to obtain any information or particulars which our Company has failed to furnish on being called upon to do so. While we may respond to RBI and address such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI's satisfaction, our ability to conduct our business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition, and results of operations. NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations, and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained/renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change over time. We are required to obtain and maintain a license for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria can adversely affect the operations and profitability of our Company.

21. **We are subject to the risk of failure of, or a material weakness in, our internal control systems, which could have a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.**

We are responsible for establishing and maintaining adequate internal control over financial reporting designed to provide reasonable assurance regarding the reliability of financial reporting and preparation and fair presentation of our financial statements and disclosures. We are exposed to risks arising from the inadequacy or failure of internal systems or processes, and any actions we may take to mitigate these risks may not be sufficient to ensure an effective internal control environment. In particular, given the increase in the volume of our transactions, errors may be repeated or compounded before they are discovered and rectified. Although we have taken appropriate measures to develop our internal control systems and policies to address those issues, we cannot assure you that our systems and policies will be sufficient or that deficiencies will not arise in the future.

Further, our management information systems and internal control procedures may not be able to identify non-compliance or suspicious transactions in a timely manner, or at all. Where internal control weaknesses are identified, our actions may not be sufficient to fully correct such weaknesses. As a result, we may incur expenses or suffer monetary losses, which may not be covered by our insurance policies and may result in a material adverse effect on our reputation, business, results of operations, cash flows and financial condition.

22. **Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.**

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "Objects of the Issue" on page 59 of this Letter of Offer.

23. **We are impacted by volatility in interest rates for both our fund raisings activities and any potential future lending operations, which could result in a decline in our net interest income and negatively affect our financial performance and profitability.**

A substantial portion of our revenue is expected to come from interest earned on loans and other financing activity once our lending operations begin. Our net interest margins would be sensitive to fluctuations in interest rates within our lending activities. Interest rates are influenced by various factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of India's financial sector, as well as domestic and global economic and political conditions, all of which contribute to significant volatility in interest rates in India. Persistently high inflation may discourage the Government from adopting policies that would reduce interest rates. Additionally, if interest rates rise on our borrowings and we are unable to pass on those increases 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. If our borrowings are tied to market interest rates, we could end up paying higher interest rates compared to lenders with fixed-rate borrowings. Furthermore, our ability to pass on higher interest rates to borrowers may be limited by government regulations or RBI policies. In a falling interest rate environment, if our cost of funds does not decrease in line with or as significantly as the yield on our interest-earning assets, it may result in a reduction in our net interest income and net interest margin.

24. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures, restrictive covenants of our financing arrangements and compliance with applicable laws.

There is no guarantee that any dividends will be declared or paid in the future. The declaration and payment of dividend will depend on a number of internal and external factors. Pursuant to the notification dated June 24, 2021 issued by the RBI, the declaration of dividend of our Company shall, among other things, be dependent on the supervisory findings of the RBI in relation to non-performing assets of our Company, along with the capital adequacy requirements and the maximum dividend payout ratio prescribed under applicable laws. Additionally, our ability to pay dividends may also be restricted by regulatory restriction and the terms of financing arrangements that we may enter. The external factors on the basis of which our Company may declare the dividend shall, among other things, include business cycles, economic environment, both domestic and global, government and regulatory provisions, including taxation, inflation rates and cost of raising funds from alternate sources. Any dividends to be declared and paid in the future are required to be recommended by our Board of Directors and approved by its Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013.

25. The lending services industry in India is highly competitive and our inability to compete effectively could adversely affect our business, results of operations, cash flows and financial condition.

The success of our business depends on our ability to compete with NBFCs, banks, micro-finance companies, digital lending platforms, small finance banks and private unorganised and informal financiers in the geographies in which we operate.

Our competitors may have greater resources, higher brand recognition among customers, greater customer loyalty, a wider branch and distribution network, access to less costly funding, more attractive financial products or superior technology. Our competitors may also make more significant investments in digital and innovation strategies to expand and achieve enhanced customer reach and engagement and economies of scale, making it more difficult for us to compete effectively. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks. Some of the original equipment manufacturers we partner with also have captive finance affiliates or group companies, which provide similar services and with which we may not be able to compete. If we fail to compete effectively, it could affect the performance of our product offerings and services and reduce our attractiveness to existing and potential customers and we may be unable to successfully execute our growth strategy, thereby adversely affecting our business, results of operations, cash flows and financial condition.

26. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.

We are a retail focused non-banking financial company ("NBFC") offering a diversified portfolio of lending products. All of our operations and assets are located in India, all our customers are located in India and all of our revenue from operations is derived from our business in India. As such, our financial performance is dependent on the condition of the Indian economy.

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

- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- geopolitical tensions;

- macroeconomic factors and central bank regulation, including in relation to interest rates movements, which may in turn adversely impact our access to capital, fund raising avenues and increase our borrowing costs;
- occurrence of natural or man-made disasters or outbreak of an infectious disease or epidemic such as COVID-19 or any other force majeure events in the region or globally, including in India's neighboring countries;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- prevailing regional or global economic conditions;
- any liquidity crisis affecting the financial services industry or NBFCs;
- any decline in India's foreign exchange reserves which may affect liquidity in the Indian economy; and
- any downgrading of India's debt rating by a domestic or international rating agency.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could reduce demand for our loans, increase loan default rates amongst our customers and generally adversely affect our business, results of operations, cash flows and financial condition as well as price of the Equity Shares.

27. We have in this Letter of Offer included certain non-GAAP financial measures and certain other selected statistical information related to our operations and financial condition. These non-GAAP measures and statistical information may vary from any standard methodology that is applicable across the financial services industry and therefore may not be comparable with financial or statistical information of similar nomenclature computed and presented by other financial services companies.

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance have been included in this section and elsewhere in this Letter of Offer. These non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit and loss for the respective Fiscals or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. These non-GAAP measures and such other industry-related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry- related statistical information of similar nomenclature that may be computed and presented by other similar companies.

In addition, these non-GAAP measures are not standardised terms, hence a direct comparison of these non-GAAP measures between companies may not be possible. Other companies may calculate these non-GAAP measures differently from us, limiting its usefulness as a comparative measure. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Consolidated Financial Information disclosed elsewhere in this Letter of Offer. For more information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on page 160 of this Letter of Offer.

28. We rely on the accuracy and completeness of information about customers and counterparties. Any misrepresentation, error or incompleteness of such information could adversely affect our business, results of operations, cash flows and financial condition.

While evaluating whether to extend credit or enter into other transactions with customers and counterparties, we may rely on information furnished to us by or on behalf of customers and counterparties, including personal information, financial statements, collateral related information, credit history, purpose of availing the loan and other financial information. We may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors of customers and counterparties. We also depend on credit bureaus for verifying the creditworthiness of our customers. Further, we may have customers who are unable to document their entire income comprehensively.

Although we follow Know Your Customer ("**KYC**") guidelines prescribed by the RBI, we may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation and our risk management measures may not be adequate to or may fail to detect or prevent such activities in all cases. We may also not receive updated information regarding changes in the financial condition of our customers. Difficulties in assessing credit risks associated with our day-to-day lending operations may lead to an increase in the level of our non-performing and restructured assets, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

29. We may experience Challenges in Expanding Products Portfolio and Operational Infrastructure.

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

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

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

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

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

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

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

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

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

34. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and NBFC industry contained in the Letter of Offer.

While facts and other statistics in the Letter of Offer relating to India, the Indian economy and industry in which we operate has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

35. Our Promoters and certain of our directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.

Certain of our Directors including our Promoters are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

36. We intend to diversify into new businesses and delays in starting such businesses may affect our results of operations, expansion, and growth plans:

We intend to diversify into new businesses, including entering the lending sector in the coming years. This expansion would require our senior management to be heavily involved in various negotiations and discussions, which could divert their attention from our existing operations. Additionally, the lending business is highly regulated and will require us to obtain necessary approvals and licenses from regulatory and governmental authorities. Failure to secure these approvals and licenses in a timely manner, or at all, could adversely affect our expansion and growth plans. The lending business would also require significant capital infusion, and there is no assurance that we would have access to such capital or that it would be available at terms that would make the business profitable. Moreover, we have no prior experience in running lending operations, and there is no guarantee that, once launched, this business would be successful or generate the expected profits.

37. Lack of Significant Experience of the Issuer or Its Promoters in the Industry Segment

The issuer and its promoters may lack significant experience in the specific industry segment for which this issue is being made. This limited expertise could pose challenges in effectively managing business operations, responding to market dynamics, and driving growth. The absence of a proven track record in this sector may result in operational inefficiencies, difficulties in implementing business strategies, or potential delays in achieving profitability. Investors should carefully consider the risks associated with this lack of industry experience, which could negatively impact the issuer's ability to meet its business objectives and create value for shareholders.

Although the issuer and its promoters may not have extensive experience in the specific industry segment for which this issue is being made, their fresh perspective can bring innovative approaches and new strategies to the market. This lack of traditional experience offers the opportunity to adopt modern, adaptable business practices and leverage the latest industry trends. The promoters' willingness to explore new sectors may also lead to a dynamic and agile approach to growth, enabling the company to identify untapped opportunities and differentiate itself from competitors. Investors may benefit from the potential of this fresh perspective driving long-term success and value creation.

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

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("EMIs") when the loans' interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans' interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates. Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenure. All NBFCs and HFCs are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers. Even where we are allowed to charge a prepayment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

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

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

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

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

41. We operate on leased premises and we may lose possession of leased properties and related buildings and other improvements.

We operate primarily from leased premises, including our Registered Office, under lease and license agreements with third parties. In the future, we may enter into additional similar arrangements. Any issues related to the title, ownership rights, or development rights of the properties from which we operate could negatively affect our business. This includes potential breaches of the terms of our lease agreements, such as delays in rent payments, improper use of the properties, or unauthorized transfer or assignment of the land by the lessor. Such issues could disrupt our operations. Additionally, if these leases or licenses are not renewed, it could significantly impact our ability to operate, which may, in turn, adversely affect our profitability, although the exact extent of this impact is difficult to quantify.

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

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

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

In the past, there have been certain instances of delay in filing of statutory forms and transferring funds to IEPF account as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company.
No show cause notice in respect to the above has been received by our Company till date and except as stated in this Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

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

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

45. We face cybersecurity threats, such as hacking, phishing and trojans, attempting to exploit our network to disrupt services to customers or theft or leaking of sensitive internal data or customer information. Such events may damage our reputation and adversely impact our business and financial results.

We rely on digital banking and other digital services including mobile products and other web-and cloud-based products and applications, whether directly owned or through external vendors. We expect to continue investing in digital services and channels in the future. Please refer “Our Business” beginning on page number 90. We are therefore exposed to various cybersecurity threats, such as:
(i) phishing and trojans targeting our employees or customers, wherein fraudsters send unsolicited emails seeking account- sensitive information, (ii) hacking, wherein hackers seek to hack into our website with the primary intention of causing reputational damage to us, (iii) data theft, wherein cyber criminals may intrude into our network with the intention of stealing our internal data or our customer information or to extort money and (iv) data leakage, wherein sensitive internal bank data or customer information is inappropriately disclosed by parties entitled to access it.

While we continue to enhance our protective measures, investigate and remediate any vulnerability due to cybersecurity incidents, any such cybersecurity incident could lead to loss of customer data and damage our reputation and have a material adverse effect on our business, financial condition and results of operations. Any cybersecurity incident could also subject us to additional regulatory scrutiny and expose us to civil litigation and related financial liability.

Pursuant to RBI's Master Direction—Information Technology Framework for the NBFC Sector dated June 8, 2017 we shall put in place a Board approved Information Technology Policy. Our implemented processes may however fail and cyber incidents may go undetected, potentially causing customer loss and regulatory scrutiny.

As cybersecurity threats increase and become more sophisticated, we may face increased costs to continue to modify or enhance our protective measures or to investigate and remediate any vulnerability to cybersecurity incidents. We may also face operational risks and increased costs if new technologies we use in cybersecurity management, such as the artificial intelligence and machine learning capabilities we have deployed in connection with our security incident event management, are not used appropriately, are defective or inadequate, or are not fully integrated into our solutions, systems or controls.

46. **Our insurance coverage may not be sufficient or may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our business, results of operations, cash flows and financial condition**

We shall maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. There can be no assurance that our current insurance policies will insure us fully against all risks and losses that may arise in the future, or that we will be able to maintain insurance of the types or at levels which we deem necessary or adequate or at premiums which we deem to be commercially acceptable. Even if such losses are insured, we may be subject to certain deductibles, exclusions and limits on coverage, and our insurance claims may not be successful. While such instances have not materialised in the nine months period ended December 31, 2024 and in the last three Fiscals, the occurrence of a serious uninsured loss or a successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations, cash flows and financial condition. If we are unable to pass the effects of increased insurance costs on to our customers, the costs of higher insurance premiums could have a material adverse effect on our costs and profitability. In addition, our insurance coverage expires from time to time. While we apply for the renewal of our insurance coverage in the normal course of our business, we cannot assure you that such renewals will be granted in a timely manner, at acceptable costs or at all. Further, we do not have insurance coverage for losses that we incur from our loan portfolio or investments due to non-payment and delinquency.

Issue Specific Risks

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

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

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, April 22, 2021 and May 19, 2022, as applicable ("**SEBI Rights Issue Circular**") and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "***Terms of the Issue***" beginning on page 182.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise of Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

3. **The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholder") may lapse in case they fail to furnish the details of their demat account to the Registrar.**

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "Terms of the Issue" beginning on page 182 of this Letter of Offer.

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

8. **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.

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

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

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

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

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

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

12. **The 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.

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

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "Terms of the Issue" beginning on page 182. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

14. **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.

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

The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

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

16. **Market Risks Until Listing and Trading Approval**

Investors will be subject to market risks from the date of payment for the Equity Shares until the shares are credited to their demat accounts and listed for trading. Although the Equity Shares are intended to be listed on the Stock Exchange, there is no guarantee that the shares will be credited to investors' demat accounts or that trading will commence promptly. Until such time as the shares are credited and trading is approved, investors may face fluctuations in the market value of their shares, which could impact their investment. As a result, investors must bear the risk associated with any delays in the listing or commencement of trading, which could affect the liquidity and price of their shares.

External Risk Factors

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

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

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our restated financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this 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 Letter of Offer should accordingly be limited.

2. **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.

3. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on November 5, 2024 to raise funds by issuance and allotment of equity shares for an aggregate amount of less than ₹ 50 Crores (Rupees Fifty Crores), by way of Right Issue, on such terms to be decided by the Board or a duly constituted committee of the Board at a later date.

The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on May 28, 2025. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "***Terms of the Issue***" on page 182 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to 70,05,579 Equity Shares
Rights Entitlement	07 (Seven) Equity Share for every 10 (Ten) fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 02 (two) Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Record Date	June 06, 2025
Face value per Equity Shares	₹10/-
Issue Price per Rights Equity Shares	₹70/- per Equity Share (including a premium of ₹60/- per Equity Share)
Issue Size	Issue of up to ₹4,903.91 lakhs # #*Assuming full subscription, to be adjusted as per the Rights Entitlement ratio*
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank *pari passu* in all respects with the Equity Shares of our Company
Equity Shares issued, subscribed and paid up prior to the Issue	1,00,07,970 Equity Shares. For details, see "Capital Structure" beginning on page 57 of this Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	Up to 70,05,579 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,70,13,549
Money payable at the time of Application	₹70/-
Scrip Details	**ISIN**: INE754C01010 **Rights Entitlement ISIN**: INE754C20010 **BSE**: SODFC
Use of Issue Proceeds	For details, please refer to the chapter titled "***Objects of the Issue***" on page 59 of this Letter of Offer.

Particulars	Details of Equity Shares
Terms of the Issue	For details, please refer to the chapter titled "***Terms of the Issue***" on page 182 of this Letter of Offer.

Please refer to the chapter titled "***Terms of the Issue***" on page 182 of this Letter of Offer.

Issue Schedule

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

Event	Indicative Date
Issue Opening Date	Friday, June 20, 2025
Last Date for On Market Renunciation of Rights**	Monday, June 30, 2025
Issue Closing Date*	Friday, July 04, 2025

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

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

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GENERAL INFORMATION

The Company was originally incorporated as Som Datt Finance Corporation Limited, a public limited company under the Companies Act, 1956, with the Certificate of Incorporation issued by the Registrar of Companies, West Bengal, on October 19, 1993, bearing Registration No. 060507 The Company commenced its business on November 3, 1993, and was initially assigned the Corporate Identification Number (CIN) L65921WB1993PLC060507.

On May 11, 2019, Mr. Kuldip Rathee and Mrs. Vijay Rathee entered into a Share Purchase Agreement with certain sellers who were part of the previous promoter group viz Mrs. Usha Datt, Mrs. Latika Datt Abbott, Mrs. Anuradha Datt Munjal, Mrs. Charu Datt Bhatia, Mrs. Sadhana Singh, Mrs. Anjali Anand, Som Datt Enterprises Pvt. Ltd., Som Datt Power Ltd., and Som Datt Investments and Finance Co. Pvt. Ltd to acquire 69.19% of the outstanding shares of the Company resulting in a change of control in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations") and subject to the prior approval of Reserve Bank of India ("RBI"). After receipt of the approval from RBI and after completing the process of open offer in terms of the SEBI SAST Regulations, the Share Purchase Agreement dated May 11, 2019 was consummated. Thereafter the Company started the process for change of promoters from the previous promoter group to Mr. Kuldip Rathee and Mrs. Vijay Rathee, The BSE Limited ("BSE") approved this reclassification and change of control vide its letter dated September 22, 2021.

After the acquisition by Mr. Kuldip Rathee and Mrs. Vijay Rathee, the Company's Registered Office was relocated to the National Capital Territory (NCT) of Delhi, and a new CIN: L65921DL1993PLC377542, was issued on February 25, 2021, bearing Registration No. 377542.

In November 2022, Dr. Bhaskara Rao Bollineni and Mr. Bhavanam Ruthvik Reddy entered into a Share Purchase Agreement with Mr. Kuldip Rathee and Mrs. Vijay Rathee to acquire 69.34% shares of the Company resulting in a change of control. This acquisition, formalized through a Share Purchase Agreement (SPA) dated November 9, 2022, was in compliance with the SEBI SAST Regulations and was subject to prior approval of RBI. After receipt of the approval from RBI and after completing the process of open offer in terms of the SEBI SAST Regulations, the Share Purchase Agreement dated November 9, 2022 was consummated. Thereafter the Company started the process for deletion of earlier promoters Mr. Kuldip Rathee and Mrs. Vijay Rathee , which was approved by BSE vide letter dated March 28, 2024.

Further, the Company relocated its Registered Office to Telangana on August 13, 2024. The current CIN assigned to the Company is L65921TS1993PLC188494, bearing Registration No. 188494.

The Company is a Non-Systematically Important Non-Deposit Company, categorized as an Investment and Credit Company (ICC), and is registered with the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934. The Company was initially granted a Certificate of Registration by the RBI on March 29, 2005, under Registration No. B.05-02987. This certificate was later updated, and a new Certificate of Registration was issued on September 23, 2021, with Registration No. B-14.03556, allowing the Company to continue operating as a Non-Banking Financial Company (NBFC). This certificate was later further updated, and a new Certificate of Registration was issued on February 27, 2025, with Registration No. N-09.00492, allowing the Company to continue operating as a Non-Banking Financial Company (NBFC).

Registered Office, CIN, and Registration number of our Company

Reg. Office: 8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7,
Banjara Hills, Hyderabad, Telangana -500034, India
CIN: L65921TS1993PLC188494
Tel: +91 9810228093;
E-mail: compliancesdfl@gmail.com
Website: www.somdattfin.com
Registration Number: 188494

Details of Changes in the Registered Office:

Date of Change	*From*	*To*
September 01, 2024	Flat No. 210, Ravi Satvika Residency, Journalist Colony, Nizampet, Hyderabad, Telangana – 500090	8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7, Banjara Hills, Hyderabad, Telangana -500034, India
August 13, 2024	516, Suneja Towers -I, District Centre, Janakpuri, Delhi- 110058	Flat No. 210, Ravi Satvika Residency, Journalist Colony, Nizampet, Hyderabad, Telangana – 500090
February 25, 2021	Gajraj Chamber, 2B, 2nd Floor 86B/2, Topsia Road, (South) Kolkata-700046	516, Suneja Towers -I, District Centre, Janakpuri, Delhi- 110058
August 26, 2015	Flat No-24-25, 10, Old Post Office Street Calcutta-700001	Gajraj Chamber, 2B, 2nd Floor 86B/2, Topsia Road, (South) Kolkata-700046

Address of the Registrar of Companies:-

Our Company is registered with the Registrar of Companies, Hyderabad situated at the following address:
Address: Registrar of Companies, Hyderabad, 2nd Floor, Corporate Bhawan, GSI Post, Nagole, Bandlaguda, Hyderabad - 500 068.

Board of Directors of our Company

Name	Age	Designation	Address	DIN
Mr. Bhaskara Rao Bollineni	71	Non-Executive Director & Chairman	R/o H. No 21-26/4 survey No. 611, 612 and 613, Mission compound, Near RGI Police station, Shamshabad, KV Rangareddy, Telangana – 501218	00008985
Mr. Subba Rao Veeravenkata Meka	64	Managing Director	G402, Trendset, Winz, Nanakramguda, Hyderabad 500032	07173955
Mr. Bhavanam Ruthvik Reddy	30	Whole-Time Director & CEO	8-2-293/82/HE/4, Huda Enclave, Near Andhra Jyothi Office, Jubilee Hills, Hyderabad, Telangana – 500096.	08372627
Mr. Rajvir Singh Chhillar	68	Independent Director	EC-176, Maya Enclave, Hari Nagar, Delhi-110064	08651668
Ms. Jayanthi Talluri	52	Independent Director	Flat No. 303, Plat No 87 Sailok Bhaniraj Residency, Gautami Enclave, Kondapur, Hyderabad Telangana- 500084	09272993
Mr. Venkata Ramana Dhulipala	64	Independent Director	Flat No. 501, 5th Floor, Road no-3, Venkateswara Heights Building, Near Radhika Theater, A.S Rao Nagar, Secunderabad, Hyderabad, Telangana- 500040	10669584

For a detailed profile of our directors, please refer to the chapter titled "***Our Management***" beginning on page 95 of this Letter of Offer.

Company Secretary and Compliance Officer of the Company

Ms. Neha Agarwal:

Address:- 8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7, Banjara Hills, Hyderabad, Telangana 500034.
Telephone: +91 9810228093
Email: compliancesdfl@gmail.com

Chief Financial Officer of the Company

Mr. Shashank Shankpal
Address:- 8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7, Banjara Hills, Hyderabad, Telangana 500034.
Telephone: +91 8121141493
Email: shashank@somdattfin.com

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

Registrar to the Company and the Issue:

RCMC Share Registry Pvt. Ltd.

Address:- B-25/1, 1st Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Telephone: 011-26387320, 21; **Mobile:** 8527695125
Email: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com
Investor grievance e-mail: investor.services@rcmcdelhi.com
Contact person: Mr. Ravinder Dua
CIN:- U67120DL1950PTC001854
SEBI Registration No.: INR000000429

Banker to the Issue:
ICICI Bank Limited
Address: Capital Markets Division, 5th floor, HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai - 400020
Contact Person: Mr. Varun Vadai
Telephone: +022 66818911/923/924
Email: ipocmg@icicibank.com
Website: www.icicibank.com

Statutory and Peer Review Auditor of the Issuer:

M/s. D.S. TALWAR & CO. Chartered Accountants,
Address: S - 58, Greater Kailash-II, New Delhi – 110048
Contact Person: Ms. Shradha Talwar
Firm Registration Number: 000993N
Membership No.: 514698
Telephone Number: 011-46109229
E-mail: v_dst@yahoo.co.in
Peer Review Certificate Number: 014232

Legal Advisor to the Issue:
Sterling Law Partners
Regd. office: A604, Mangalya Commercial Premises Society, Off. Marol Maroshi Road, Andheri (East), Mumbai 400 059
Tel: +91-9820537617
E-mail: narendra.joshi@sterlinglawpartners.com
Contact Person: Mr. Narendra Joshi
Website: NA

STERLING'S
LAW PARTNERS

Self-Certified Syndicate Banks

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

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker as the Issue size is less than ₹5,000.00 lakhs and hence there is no inter-se allocation of responsibilities.

Expert Opinion

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

Our Company has received a written consent dated March 27, 2025 from our Statutory Auditors, M/s. D.S. TALWAR & CO. Chartered Accountants, to include their name in this Letter of Offer as an "expert", as defined under applicable laws, to the extent of and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer.

Investor Grievances

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-issue or post-issue related matters such as non-receipt of Letters of Allotment/ share certificates/ DEMAT credit/ Refund Orders/unblocking of ASBA Accounts, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or DEMAT account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgment slip (in case of ASBA process). For details on the ASBA process, "***Terms of the Issue***" beginning on page 182 of this Letter of Offer

Credit Rating

This is an issue of Equity Shares; credit rating is, therefore, not required.

Debenture Trustees

This is an issue of Equity Shares; the appointment of debenture trustees is, therefore, not required.

Monitoring Agency

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

Filing

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

Underwriting Agreement and Details

This Issue will not be underwritten, and our Company has, therefore, not entered into an underwriting arrangement.

Changes in Auditors during the last three years: -

No change in auditors during the past three years.

Issue Schedule

Last Date for Credit of Rights Entitlements	Wednesday, June 18, 2025
Issue Opening Date	Friday, June 20, 2025
Last date for On Market Renunciation of Rights Entitlements #	Monday, June 30, 2025
Last Date for Receiving Requests for Application Form and Rights Entitlement Letter	Tuesday, July 1, 2025
Issue Closing Date*	Friday, July 04, 2025
Finalization of Basis of Allotment (on or about)	Thursday, July 10, 2025
Date of Allotment (on or about)	Friday, July 11, 2025
Date of credit (on or about)	Monday, July 14, 2025
Date of listing or Commencement of trading (on or about)	Wednesday, July 16, 2025

\# *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 before the Issue Closing Date.*

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than July 01, 2025, being two Working Days prior to the Issue Closing Date, i.e., July 04, 2025, 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.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "***Terms of the Issue***" beginning on page 182 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at www.rcmcdelhi.com after keying in their respective details along with other security control measures implemented thereat. For further details, see ***"Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders***" beginning on page 196 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall get 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 the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

As the object of the Company is other than capital expenditure for a project, thus, our Company would not be required to comply with the requirements of minimum subscription. Both our Promoters have vide their respective Subscription Intent Letters confirmed that they (i) will subscribe to the full extent of their respective Rights Entitlements in the Rights Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced between the Promoters); (ii) will subscribe to additional Rights Entitlements over and above their respective Rights Entitlements, if any, which are renounced in their favour by the other Promoter and (iii) may subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, shall be made to the extent that: (a) it does not result in any obligation on them as Promoters to make an "open offer" in accordance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations; and (b) the aggregate shareholding of the Promoters being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulations) Rules and SEBI (Listing Obligations and Disclosure Requirements) Regulations.

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

Appraising Entity

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

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CAPITAL STRUCTURE

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

#	Particulars	Amount (₹)	
		Aggregate nominal value	Aggregate value at Offer Price
A.	**Authorised Share Capital***		
	2,00,00,000 Equity Shares of ₹10/- each	20,00,00,000	-
	50,00,000 Preference Shares of ₹10/- each	5,00,00,000	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	1,00,07,970 Equity Shares of ₹10/- each	10,00,79,700	-
C.	**Present Issue in terms of this Letter of Offer**		
	Offer of 70,05,579 Equity Shares of Face Value ₹10/- each at a Price of ₹70/- per Equity Share	7,00,55,790	49,03,90,530
D.	***Issued, subscribed and paid-up Equity Share Capital after the Issue***		
	1,70,13,549 Equity Shares ₹10/- each	17,01,35,490	
E.	**Securities Premium Account**		
	Before the Issue	-	
	After the Issue	42,03,34,740	

 # Assuming full subscription for and Allotment of the Equity Shares

(1) The present Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on November 5, 2024.

(2) The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue.

Notes to Capital Structure

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

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

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

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

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

Name of the Promoter & Promoter Group	Pre-holding	Date and Mode of Acquisition	No. of Equity Shares (Present shareholding)
Mr. Bhavanam Ruthvik Reddy	5,00,000	March 12, 2025, On Market Purchase	5,00,311

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

   Both our Promoters have vide their respective Subscription Intent Letters confirmed that they (i) will subscribe to the full extent of their respective Rights Entitlements in the Rights Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced between the Promoters); (ii) will subscribe to additional Rights Entitlements over and above their respective Rights Entitlements, if any, which are renounced in their favour by the other Promoter and (iii) may subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, shall be made to the extent that: (a) it does not result in any obligation on them as Promoters to make an "open offer" in accordance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 2011; and (b) the aggregate shareholding of the Promoters being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulations) Rules, 1957 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹87.28/- per equity share.

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

   (i) The shareholding pattern of our Company, as on March 31, 2024, can be accessed on the website of the BSE www.bseindia.com.
   (ii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on March 31, 2024, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE www.bseindia.com.

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

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

OBJECTS OF THE ISSUE

The Issue comprises of an issue of up to 70,05,579 Equity Shares, aggregating up to ₹4,903.91 lakhs by our Company. For details see "***The Issue*** " beginning on page 49 of this Letter of Offer.

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

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

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

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expense ("**Net Proceeds**") for the above-mentioned Objects.

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

Net Proceeds

The details of objects of the Issue

Particulars	Amount (₹ in lakhs)
Gross proceeds from the Issue	4,903.91*
Less: Issue related expenses	60.00
Net Proceeds of the Issue	**4,843.91**

**The issue size will not exceed ₹5,000 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purposes.*

Requirement of Funds:

S.No.	Particulars	Amounts (₹ in lakhs)	% of gross proceeds	% of Net proceeds
1.	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities	4,500.00	91.8%	92.9%
2.	General Corporate Purposes**	343.91	7.0%	7.1%
3.	Issue Related Expenses	60.00	1.2%	
	Total	**4,903.91**	**100.0%**	**100.0%**

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

Means of Finance

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

Utilization of Net Proceeds

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

(₹ in lakhs)

S. No.	Particulars	Total estimated amount to be utilized
1.	To augment the capital base of our Company	4,500.00
2.	General Corporate Purposes	343.91
Total		**4,843.91**

Schedule of Implementation and Deployment of Gross Proceeds (₹ in lakhs)

Objects of the Issue	Amount Proposed to be Funded from Net Proceeds	For FY 2026
To augment our capital base and for increasing our operational scale with respect to our NBFC activities	4,500.00	4,500.00
General corporate purposes	343.91	343.91
Issue expenses#	60.00	60.00
Total*	**4,903.91**	**4,903.91**

#In case the actual amount incurred towards issue expenses is less than the amount estimated in this Letter of Offer, the difference will be reallocated and utilised towards General Corporate Purposes, in accordance with the terms of this Issue and applicable regulatory guidelines.

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

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

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

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

Details of the Objects of the Issue

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

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

   Our Company is a Non-Deposit taking Non-Banking Finance Company categorized as Investment and Credit Company i.e. ICC – NBFC – Base Layer (BL) primarily involved in the business of equity and debt investments, trading in securities and providing credit facility to MSME and individuals.

   We propose to augment our capital base by ₹4,500.00 lakhs through this Issue and utilize the funds raised to further increase the operational scale of its business of NBFC activities, including but not limited to lending and investment businesses.

   Our Company proposes to initially introduce loan products on certain sectors like Healthcare, Renewable Energy, Chemicals and Education, among others. Further, our Company may invest in the form of debt and equity in various companies. We are not bound by predefined restrictions in regard to our search for investment opportunities. We invest in companies in a variety of markets and stages both listed and unlisted, strategic investments, debt, derivatives, and other instruments/ securities. Our investment scope and strategy depend upon the opportunities and market conditions; both long term and short term and we invest in variety of sectors. There are no prefixed criteria or predefined limitations to the Company's investments.

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

2. ***General Corporate Purpose***

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

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

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

   The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹60.00 lakhs towards these expenses, a break-up of the same is as follows:

(₹ in lakhs)

Activity	Estimated Expense	% of Total Expenses	As a % of Issue size
Fees payable to the intermediaries (including Legal Counsel fees, registrar fees and expenses)	37.35	62.3%	0.8%
Advertising, Printing, stationery, and distribution Expenses	12.65	21.1%	0.3%
Statutory and other Miscellaneous Expenses	10.00	16.7%	0.2%
Total	**60.00**	**100.0%**	**1.2%**

Note: In case the actual amount incurred towards issue expenses is less than the amount estimated in this Letter of Offer, the difference will be reallocated and utilised towards General Corporate Purposes, in accordance with the terms of this Issue and applicable regulatory guidelines.

Appraisal

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

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

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

Pursuant to Regulation 18 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

Interim Use of Proceeds

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

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

None of our Promoter, members of the Promoter Group and Directors have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors and Key Managerial Personnel of our Company.

Clause for Promoter Subscription

Both our Promoters have vide their respective Subscription Intent Letters confirmed that they (i) will subscribe to the full extent of their respective Rights Entitlements in the Rights Issue and that they shall not renounce the Rights Entitlements (except to the extent of Rights Entitlements renounced between the Promoters); (ii) will subscribe to additional Rights Entitlements over and above their respective Rights Entitlements, if any, which are renounced in their favour by the other Promoter and (iii) may subscribe to additional Rights Equity Shares, if any, which may remain unsubscribed in the Issue, each as may be applicable, subject to the subscription to additional Rights Equity Shares under (ii) and (iii) above, shall be made to the extent that: (a) it does not result in any obligation on them as Promoters to make an "open offer" in accordance with the SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 2011; and (b) the aggregate shareholding of the Promoters being compliant with the minimum public shareholding requirements under the Securities Contracts (Regulations) Rules 1957 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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

Strategic or financial partners

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

Variation in objects

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

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

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STATEMENT OF SPECIAL TAX BENEFITS

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

To,
The Board of Directors,
Som Datt Finance Corporation Limited
8-2-502/1/A, Ground Floor, JIVI Towers
Road No. 7, Banjara Hills
Hyderabad – 500 034, Telangana

Dear Sir/Madam

Subject: Statement of Possible Tax Benefits Available to Som Datt Finance Corporation Limited (the "Company") and Its Shareholders Under the Direct & Indirect Tax Laws ("Statement")

Regarding: Proposed Rights Issue of Equity Shares with a Face Value of Rs. 10.00/- each by Som Datt Finance Corporation Limited (the "Company") (the "Issue")

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company in a summary manner only and is not complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of equity shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the tax laws.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

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

(i) the Company or its shareholders will continue to obtain these benefits in future; or
(ii) the conditions prescribed for availing the benefits have been/would be met with; or
(iii) the revenue authorities/ courts will concur with the view expressed herein.

The statement showing the current position of special tax benefits available to the Company, and the shareholders of the Company as per the provisions of the Income Tax Act, 1961 (the "I-T Act") read with rules, circulars, and notifications i.e., applicable for the assessment year 2025-26 relevant to the financial year 2024-25, and The Central Goods and Services Tax Act, 2017 ("CGST"), The Integrated Goods and Services Tax Act, 2017 ("IGST") and the applicable State's Goods and Services Tax Acts ("SGST"), read with rules, circulars, and notifications relevant to the financial year 2024-25 for inclusion in the Draft Letter of Offer ("DLOF")/ Letter of Offer ("LOF") in connection with the proposed right issue is annexed herewith.

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

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

For M/s. D.S. Talwar & Co.
Chartered Accountants
Firm Registration No.: 000993N

Sd/-
Shradha Talwar
(Partner)
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025
UDIN: 25514698BMMMUU8918

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Annexure

ANNEXURE TO THE STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Sr. No.	Tax Law	Tax Type	Special Tax Benefits available to the Company	Special Tax Benefits available to the Shareholders
1	Income Tax Act, 1961	Direct	No benefits	No benefits
2	The Central Goods and Services Tax Act, 2017	Indirect	No benefits	No benefits
3	The Integrated Goods and Services Tax Act, 2017	Indirect	No benefits	No benefits
4	The Applicable State's Goods and Services Tax Acts	Indirect	No benefits	No benefits

Note:

a) The above statement provides a summary and is not a comprehensive analysis or exhaustive list.

b) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

c) This statement covers only certain specified direct and indirect tax laws and does not cover benefits under any other law. Additionally, it does not discuss tax implications outside India for investments in the shares of an Indian company.

d) For the purpose of reporting here, we have not considered the general tax benefits available to the Company or shareholders under the GST law and neither any special tax benefits available to the Company or shareholders under the GST law other than for the Issue.

e) No assurance is given that the revenue authorities or courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

f) This statement has been prepared solely in connection with the Rights Issue under the Regulations as amended.

For M/s. D.S. Talwar & Co.
Chartered Accountants
Firm Registration No.: 000993N

Sd/-
Shradha Talwar
(Partner)
Membership No: 514698
Place: Hyderabad
Date: March 27, 2025

SECTION V – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" beginning on pages 24 and 111 respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 24 of this Letter of Offer.

Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. Forecasts, estimates, predictions, and other forward-looking statements which are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. In making any decision regarding the transaction, the recipient should conduct its own investigation and analysis of all facts and information and the recipient must rely on its own examination and the terms of the transaction, as and when discussed.

MACROECONOMIC SCENARIO IN INDIA

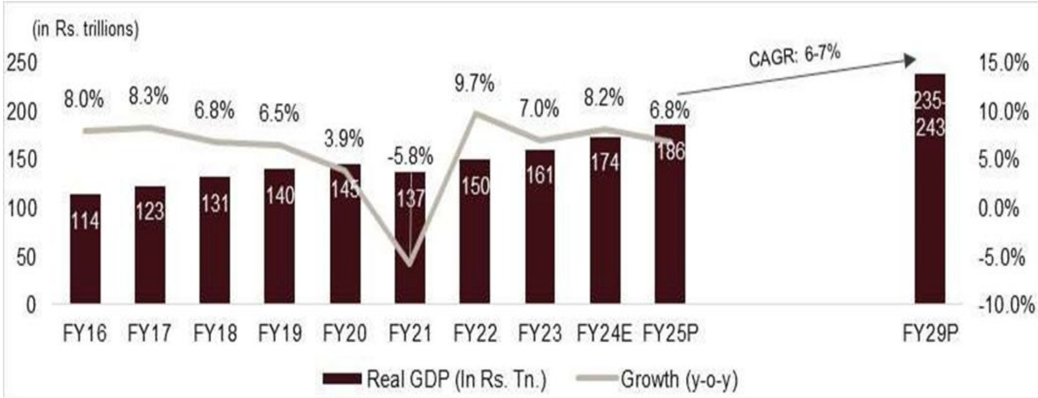
Global economy is witnessing unwinding of tight monetary conditions

As per the International Monetary Fund (the "**IMF**") (World Economic Outlook – July 2024 update), global GDP growth prospects for calendar year ("**CY**") 2024 and CY 2025 will hold steady at 3.2% and 3.3%, respectively. Major global economies showed resilience in the second quarter of 2024, despite a slight moderation experienced in some. The US and Japan performed better in the first quarter of 2024, while the UK and China saw growth moderation. The Euro area, meanwhile, held steady. The Bank of Japan turned hawkish and raised interest rates once again, while the weak US payroll data in July 2024 sparked fears of a rapidly cooling labour market and an imminent recession, resulting to a rate cut of 50 basis points in September 2024 by the Federal Reserve. The combination of these developments led to an unwinding of the global Yen carry trade and a rush of outflows from emerging markets to safe-haven assets with most emerging market currencies (and some developed market ones) seeing depreciation. Heightened geopolitical tensions in the Middle East also added to the global volatility. While inflation has slowed down, the pace of inflation decline has decreased in CY 2024 on account of sticky inflation. As per IMF (World Economic Outlook – July 2024 update), global headline inflation is expected to be around 5.9% in CY 2024 and 4.5% in CY 2025.

India expected to remain one of the fastest growing economies in the world

The Indian economy was amongst the fastest-growing in the world prior to onset of the COVID-19 pandemic. In the years leading up to the global health crisis which disrupted economic activities, the country's economic indicators posted gradual improvements owing to strong local consumption and lower reliance on global demand. Despite global geopolitical instability, India continues to maintain its position as one of the fastest-growing economies globally. In May 2024, the National Statistical Office (NSO) in its provisional estimate of national income estimated the real GDP to have grown at 8.2% year-on-year in Fiscal 2024, while in Q4 of Fiscal 2024, growth was at 7.8%, which is much stronger than the estimated forecasts of 5.9%.

Indian economy expected to grow at 6.8% in Fiscal 2025



Note: E = Estimated, P = Projected; GDP growth till Fiscal 2023 is actuals. GDP Estimates for fiscals 2023- 2024 is based on NSO Estimates and that for fiscals 2025-2029 based on IMF estimates; Source: NSO, IMF (World Economic Outlook – April 2024 update)

Over the past three fiscals (Fiscals 2022 to 2024), the Indian economy has outperformed its global counterparts by witnessing a faster growth. In the IMF's July 2024 update, it raised the GDP growth forecast for India highlighting India's improved prospect for private consumption particularly in rural areas. Going forward as well, IMF projects that Indian economy will remain strong and would continue to be one of the fastest growing economies.

Indian economy to be a major part of the world trade

Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP according to IMF forecasts (World Economic Outlook – October 2024 Update). India overtook the United Kingdom to become the fifth-largest economy in the world in CY 2022. In terms of purchasing power parity ("**PPP**"), India is the third-largest economy in the world, after China and the United States. According to United Nations Conference on Trade and Development, global trade improved in between January and March 2024. Notably, India was a key driver, along with the United States and China. The World Trade Organisation expects the volume of global goods trade to have grown 2.6% on-year in 2024 from -1.2% in 2023. With reviving global trade, exports of goods and services in India saw a significant increase in the first quarter of Fiscal 2025 (average growth of 7.8% compared to 4.8% the previous quarter). However, imports in India also rose sharply (average increase of 7.5% compared to 1.9% the previous period). Hence, net exports dragged GDP growth in the first quarter of Fiscal 2025.

Repo rate remains unchanged, with phase of aggressive rate hikes behind us

Since the beginning of the current Fiscal year, the repo rates have so far remained unchanged by the RBI. The RBI's MPC in its August 2024 meeting voted to keep the repo rates unchanged. The repo rates have increased by 250 basis points to 6.50% from Q4 of Fiscal 2022 to Q4 of Fiscal 2024 and reduced to 6.25% in Q3 of Fiscal 2025, with standing deposit facility (SDF) at 6.25% and marginal standing facility (MSF) at 6.75%. SBI MCLR has increased by 145 basis points from Q4 of Fiscal 2022 to Q1 of Fiscal 2025. MPC maintained status quo on the "withdrawal of accommodation" stance.

Positive government measures to aid economic growth for India

- MSMEs have received special focus, with initiatives such as the new credit guarantee scheme, offering coverage of up to ₹100 crore per applicant and increases in the limit for the Tarun category under Mudra loans from ₹10 lakhs to ₹20 lakhs. The Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) was launched to make available collateral-free credit to the micro and small enterprise sector. Both the existing and the new enterprises are eligible to be covered under the scheme. The Ministry of Micro, Small and Medium Enterprises and Small Industries Development Bank of India (SIDBI), established a Trust named Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) to implement the Credit Guarantee Fund Scheme for MSMEs. Moreover, Public Banks have taken steps to develop an in-house technology-based underwriting model to assess MSMEs, which will improve credit facilities for these enterprises.

- Budgetary support towards rural areas through higher allocation under PM Awas Yojana (up 70.3% year- on-year) and PM Gram Sadak Yojana (up 11.8% year-on-year), aggregate allocation on major rural schemes like Pradhan Mantri Kisan Samman Nidhi, Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA), PM Gram Sadak Yojana, PM Awas Yojana- Rural to ₹2.2 lakh crore, a 12.6% year-on-year increase will support rural employment, income and consumption.
- The GST regime has been stabilizing fast and is expected to bring more transparency and formalisation, eventually leading to higher economic growth. The number of GST returns filed saw a jump of around 38% from Fiscal 2019 (approximately 169 million returns) to Fiscal 2023 (approximately 232 million returns).
- The government has also launched the Jan Dhan-Aadhaar-Mobile (JAM) trinity which aims to link Jan Dhan accounts, mobile numbers and Aadhar cards of all Indian nationals to transfer cash benefits directly to the bank account of the intended beneficiary and avoid leakage of government subsidies.
- The government introduced the Emergency Credit Line Guarantee Scheme (ECLGS) in May 2020, as a part of the government's COVID-19 financial relief package. Under this scheme, financial institutions provide emergency credit facilities to MSMEs that have suffered due to the pandemic. The scheme aimed at aiding MSMEs to meet their working capital and operational expenditure needs. Banks and NBFCs are directed to offer up to 20% of entire outstanding credit to MSMEs. ECLGS provided for collateral free loans to existing eligible borrowers with 100% guarantee in respect of the eligible amount as per the Scheme guidelines. As per the State Bank of India's research report in January 2023 on ECLGS, almost 1.46 million MSME accounts, of which about 93.8% of the accounts were in MSE categories, were saved.
- Government launched the Digital India program, on 1st July 2015 with the vision of transforming India into a digitally empowered society and a knowledge-based economy, by ensuring digital access, digital inclusion, digital empowerment and bridging the digital divide. Some of the key initiatives and related progress under Digital India are as follows-
    - Unified Payment Interface (UPI) is the leading digital payment mechanism. It has more than 600 live members and has facilitated more than 131.1 billion transactions (by volume) worth ₹199.9 trillion in Fiscal 2024.
    - Unified Mobile Application for New-age Governance (UMANG) - for providing government services to citizens through mobile. More than 1,984 e-Services as of March 2024 and over 4 billion transactions have taken place on UMANG as of March 2024.
    - Cyber Security: The Government has taken necessary measures to tackle challenges about data privacy and data security through introducing the Information Technology (IT) Act, 2000 which has necessary provisions for data privacy and data security.
    - Common Services Centers - CSCs are offering government and business services in digital mode in rural areas through Village Level Entrepreneurs (VLEs). Over 400 digital services are being offered by these CSCs. As of March 2024, 0.58 million CSCs are functional (including urban & rural areas) across the country, out of which, 0.47 million CSCs are functional at Gram Panchayat level.

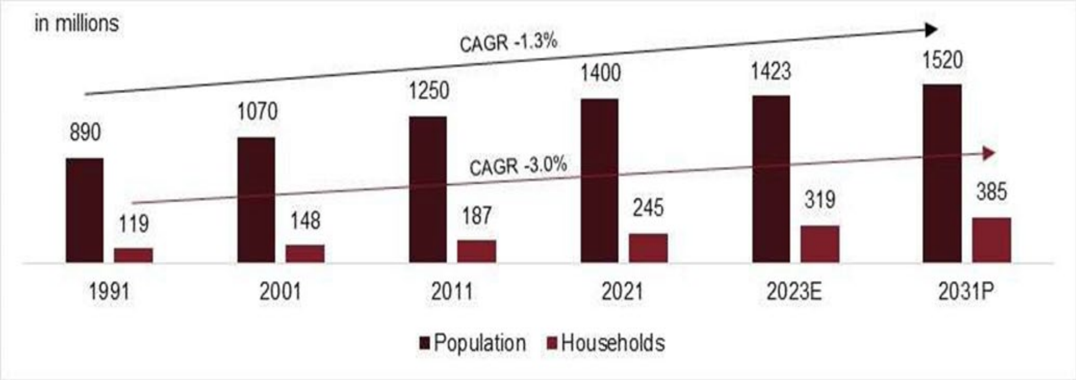
Overall, these initiatives will improve the digital connectivity of Indians along with boosting business sentiment, thereby creating new opportunities.

India's Long Term Structural Growth Drivers

India has the world's largest population

As per Census 2011, India's population was around 1.3 billion and comprised nearly 187 million households. The population, which grew at nearly 1.5% CAGR between 2001 and 2011, is increased at 1.1% CAGR between 2011 and 2021 and reached 1.4 billion. The population is expected to reach 1.5 billion by 2031 at 1.0% CAGR between 2011 and 2031, and the number of households are expected to reach around 385 million over the same period at 3.7% CAGR between 2011 and 2031.

India's population growth trajectory and number of households



Note: As at the end of each Fiscal. P: Projected, Source: United Nations Department of Economic and Social Affairs, (https://population.un.org/wpp/), Census India

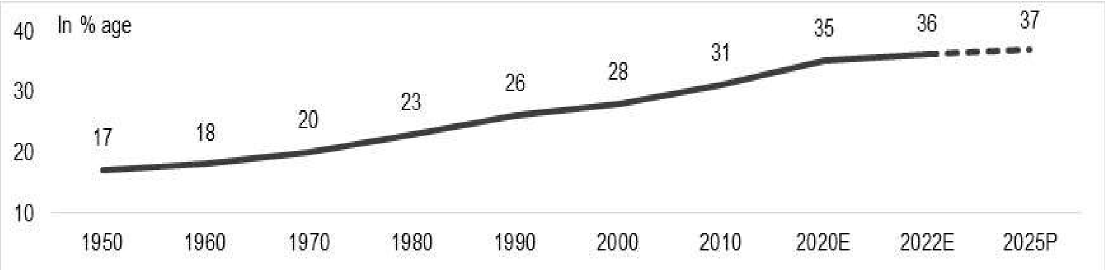
Favorable demographics

India has one of the world's largest youth populations, with a median age of 28 years. About 90% of Indians are below 60 years of age. In 2022, it is estimated that India had the highest share of young working population (15- 30 years) compared to major developed and developing countries with the share of 27%.

Rising Urbanisation

Urbanisation is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services, and increase the ability to mobilise savings. India's urban population has been rising consistently over the decades. As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 36% of India's total population in 2022. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 40.1% by 2030.

Urban population as a percentage total population (%)



Note: E- Estimated, P – Projected, Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN)

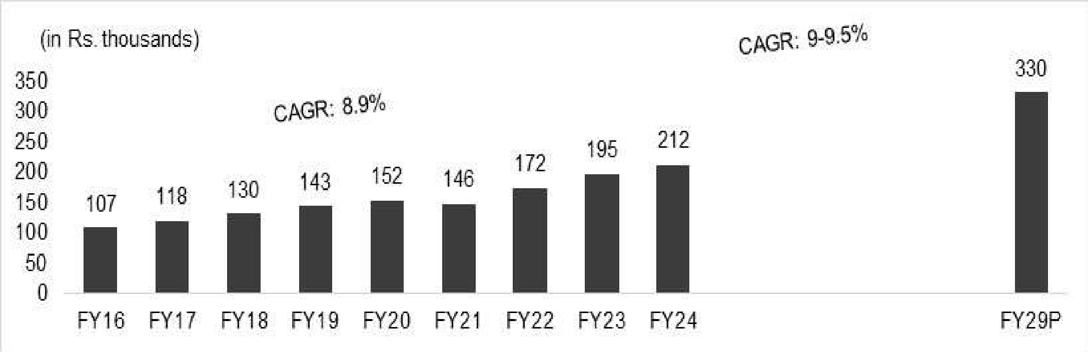
Increasing per capita GDP

India's per capita net national income at constant price expanded 7.4% in Fiscal 2024, reflecting robust economic growth and the government's continued endeavour to make the country an upper middle-income economy. As per IMF estimates, India's per capita income (at constant prices) is expected to grow at 5-6% CAGR in real terms from Fiscal 2025 to Fiscal 2027.

Per capita NNI	Fiscal 2024 (₹ '000)		Growth of Real GDP Per Capita at constant prices (%)										
	Current prices	Constant prices	Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
	184	107	4.6	6.2	6.7	6.9	5.5	5.2	2.5	-8.9	7.6	5.7	7.4

Note: P – projected. (^) Per capita NNI as per Provisional Estimates of Annual GDP, 2023-2024
Source: Ministry of Statistics and Program Implementation (MoSPI), International Monetary Fund (IMF)

Trend in nominal GDP per capita at current prices



Note: P - Projected. Fiscal 2024 estimates are based on provisional estimates by MoSPI; Fiscal 2029 projections are based on IMF – World Economic Outlook (April 2024 update)

Source: MoSPI, IMF

Credit penetration is lower in India compared to other countries

In terms of the credit to GDP ratio, India has a low credit penetration compared with other developing countries, such as China, indicating the potential that can be tapped. Similarly, in terms of credit to households as a proportion of GDP, India lags other markets, with retail credit hovering at around 26% of GDP as of Fiscal 2023. As per World Bank, private retail bureau coverage is 63% of total adults in India as of 2019.

Rural and semi-urban India: Under penetration and untapped market presents a huge opportunity for growth of financiers

Bank credit to metropolitan areas has decreased over the past few years with its share decreasing from 66% as of March 31, 2019, to 61% as of March 31, 2024. Between the same period, credit share has witnessed a marginal rise in rural (7% as of Fiscal 2019 to 8% as of Fiscal 2024) and semi-urban areas (12% as of Fiscal 2019 to 14% as of Fiscal 2024). As of March 31, 2024, rural areas, which is estimated to account for 47% of GDP, received just 9% of the overall banking credit, which shows the vast market opportunity for banks and NBFCs to lend in these areas. With increasing focus of government towards financial inclusion, rising financial awareness, increasing smartphone and internet penetration, credit services in rural area to increase. Further, usage of alternative data to underwrite customers is also expected to help banks and NBFCs to assess customers and cater to the informal sections of the society in these regions.

The contrast in per capita banking credit as of Fiscal 2024 is about ₹300,000 in urban areas versus about ₹14,000 in rural areas, indicating a vast untapped potential in rural regions. This gap presents an opportunity for financial institutions to expand and enhance financial inclusion in rural areas. (Source: Outstanding banking credit - RBI & Population – Census of India 2011 "*Report of the technical group on population projection, July 2020*".)

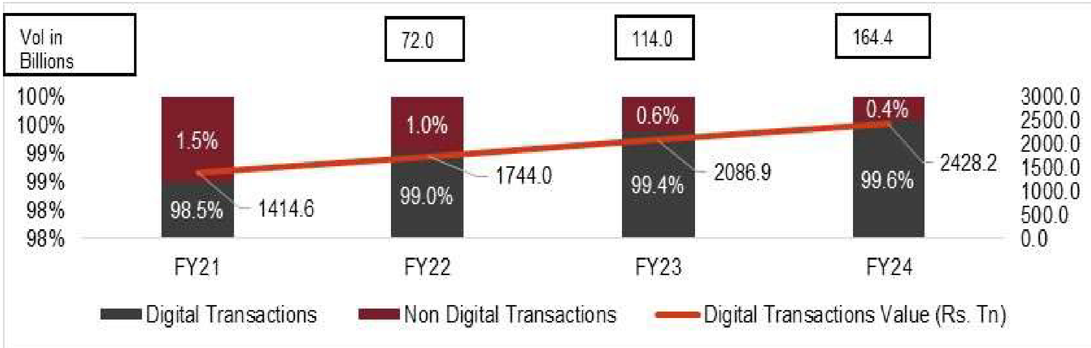
Digitisation aided by technology to play pivotal role in growth of economy

Technology is expected to play an important role by progressively reducing the cost of reaching out to smaller markets. India has seen a tremendous rise in fintech adoption in the past few years. Among many initiatives by the government, the Unified Payments Interface (UPI) is playing a pivotal role towards financial inclusion. It provides a single-click digital interface across all system for smartphones linked to bank accounts and facilitates easy transactions using a simple authentication method. The volume of digital transactions has also seen a surge in the past few years, driven by increased adoption of UPI.

Digital payments have witnessed substantial growth

Higher mobile penetration, improved connectivity, and faster and cheaper data supported by Aadhaar, and bank account penetration have led India to shift from being a cash-dominated economy to a digital one. Total digital payments in India have witnessed significant growth over the past few years. Between Fiscal 2021 and Fiscal 2024, the volume of digital payments transactions has increased from 43.7 billion to 164.4 billion, growing at a CAGR of approximately 56%. During the same period, the value of digital transactions has increased from ₹1,414.6 trillion in Fiscal 2021 to ₹2,428.2 trillion in Fiscal 2024. Consumers are increasingly finding transacting through mobile convenient.

Trend in value and volume of digital payments

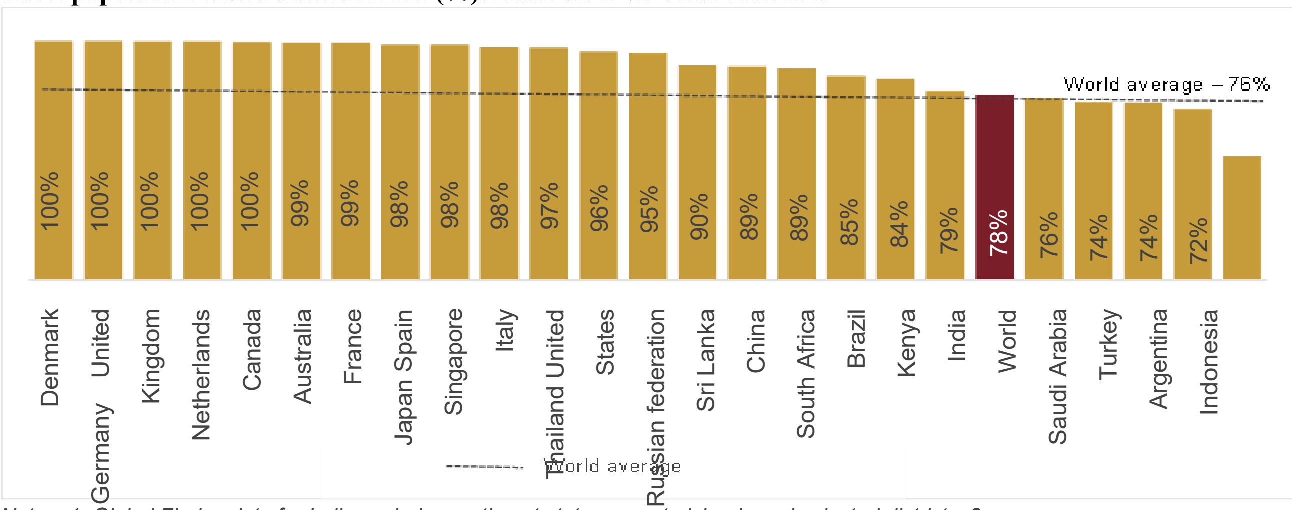


Note: Digital Payments includes RTGS payments, Credit transfers (AePS, APBS, ECS Cr, IMPS, NACH, NEFT, UPI), Debit Transfers (BHIM, ECS Dr, NACH Dr, NETC), Card Payments (Debit and Credit Cards) and Prepaid Payments Instruments; Source: RBI

Financial inclusion is on a fast path in India

According to the World Bank's Global Findex Database 2021, the global average percentage of adult population with an account opened with a bank, financial institution or mobile money provider, was approximately 78% in CY 2021. India's financial inclusion has improved significantly over CYs 2014 to 2021 as adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's efforts to promote financial inclusion and the proliferation of supporting institutions.

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

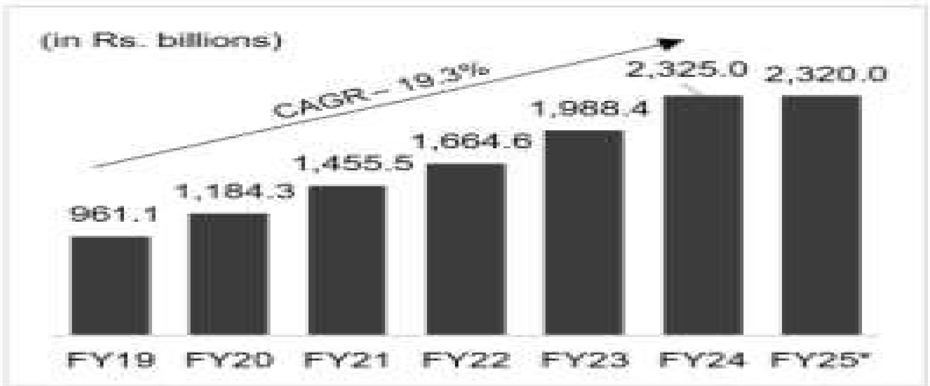


Notes: 1. Global Findex data for India excludes northeast states, remote islands and selected districts. 2. Account penetration is for the population within the age group of 15+, Source: World Bank – The Global Findex Database 2021

The two key initiatives launched by the Government to promote financial inclusion are the Pradhan Mantri Jan Dhan Yojana (PMJDY) and Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY). Under the PMJDY, the Government's aim is to ensure that every household in India has a bank account which they can access from anywhere and avail all financial services such as savings and deposit accounts, remittances, credit and insurance affordably. PMJJBY is a one-year life insurance scheme that offers a life cover of ₹0.2 million at a premium of ₹436 per annum per member, which can be renewed every year. The Government has also launched the Pradhan Mantri Suraksha Bima Yojana (PMSBY), an accident insurance policy that offers an accidental death and full people have registered for these two social security schemes.

As of September 11, 2024, 535 million PMJDY accounts had been opened, of which around 67% were in rural and semi-urban areas, with total deposits of ₹2,319 billion. *(Source: Pradhan Mantri Jan-Dhan Yojana: Progress Report)*

Number of PMJDY accounts and Total balance in PMJDY accounts



Note: Fiscal 2025 data is until September 11, 2024;

Source: PMJDY

Note: Fiscal 2025 data is until September 11, 2024;

Source: PMJDY

Rural economy is becoming structurally far more resilient

According to Census 2011, there are about 640,000 villages in India, which are inhabited by about 893 million people. The rural economy is far more resilient today due to increased spends under PM-Kisan scheme, Mahatma Gandhi National Rural Employment Guarantee Act, 2005 and irrigation programmes. Additionally, schemes such as direct benefit transfer ("**DBT**"), PM Ujwala Yojana for cooking gas, PM Awas Yojana for housing, and Ayushman Bharat scheme for healthcare are supporting growth in rural areas. To supplement this, there has been a continuous improvement in rural infrastructure, such as electricity and roads. These government initiatives have led to lesser leakages and higher incomes in the hands of the rural populace, thereby enhancing their ability and willingness to spend on discretionary products and services. The structural changes, combined with a positive macro environment, are expected to improve rural business prospects, provide business opportunities for the banking and financial services sector and drive the long-term growth of the economy.

Rural sector supporting India growth story

India's rural segment has been a key driver of the country's consumption growth story in recent years. In the past decade, the rural segment in India has expanded at a rapid pace, driven by factors, such as rising disposable income, urbanisation, and the proliferation of e-commerce.

According to the Economic Survey (2023-2024), the government strategy has been that of an integrated and sustainable development of rural India. The government aims to fuel rural growth through decentralised planning, better access to credit, skilling of youth, enhanced livelihood opportunities, empowerment of women, social security net provision, basic housing, education, health and sanitation facilities, etc.

Additionally, e-commerce has been a significant contributor to the growth of rural areas. The e-commerce market in India has grown exponentially in recent years. This growth can be attributed to increased internet penetration, the proliferation of smartphones, and the convenience offered by online shopping.

The government has taken various steps to improve overall financial inclusion:

- Direct-benefit transfer (DBT): DBT has been instrumental in the acceleration of financial inclusion since it has helped eliminate human interface and leakages in the system, ensuring timely, accurate and quality services and fund transfers to the beneficiaries. This tool has helped in the disbursal of benefits to a wide population spread geographically through 312 government schemes, such as the Pradhan Mantri Matru Vandana Yojana (PMMVY) for women, Pradhan Mantri Ujjwala Yojana (PMUY), Krishi Unnati Yojana (KUY) or Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for beneficiary bank accounts held by any gender. The total DBT was ₹5,566 billion in Fiscal 2024 (provisional figures) and Cumulative Total DBT was ₹35,410 billion as of March 2024.
- Aadhaar: It has played a critical role in promoting financial inclusion in India by enabling easy and efficient identification of individuals and reducing the need for physical documents. Aadhaar has been used for various initiatives, such as PMJDY, DBT, mobile wallets, and e-KYC, to improve financial access.
- Mobile banking: The government has promoted mobile banking to make financial services accessible to people who are unable to access physical bank branches. Mobile banking has increased financial inclusion in rural areas. Some of the mobile banking initiatives for financial inclusion are United Payments Interface (UPI), mobile wallets, Jan Dhan Yojana Mobile App, and business correspondent (BC) model.
- Financial literacy programmes: The government has launched various financial literacy programmes to educate people about the benefits of financial planning and management. These programmes aim to improve financial literacy among the marginalised sections of the society and empower them to make informed financial decisions. The government and financial institutions have launched various financial literacy programmes (National Centre for Financial Education, Swabhimaan, etc.) to improve financial literacy among the general public, especially in rural areas.
- Kisan Credit Card (KCC): The KCC scheme aims at providing adequate and timely credit support to farmers for their agricultural activities at various stages of farming. According to Ministry of Finance, Department of Financial Services, total number of operative KCC accounts stood at 73.6 million, with total outstanding amount of ₹8.86 lakh crores as of June 30, 2023.
- National Pension Scheme (NPS): Regulated by the Pension Fund Regulatory and Development Authority (PFRDA), NPS is mandatory for Central government employees and voluntary for corporates and all citizens (aged 18-65 years) with matching contributions by the employer. As of May 31 2024, National Pension System Trust reported assets under management ("**AUM**") of ₹372 billion and a subscriber base of 56 million.

- Priority-sector lending ("PSL"): PSL is an important policy tool used by the RBI to promote financial inclusion in India. The PSL requirement mandates banks to allocate a specified percentage (40% in case of scheduled commercial banks and 75% for regional rural banks and small finance banks) of their lending portfolio to priority sectors, such as agriculture; MSMEs; education; housing; and other weaker sections of the society. Lending to such priority sectors not only increases the credit access to underserved sectors but also lead to higher economic growth and promotes inclusive development. It also encourages banks to develop innovative products and services specifically for priority sectors. As of Fiscal 2024, bank credit to PSL stood at ₹59.1 trillion (which is 45.1% of adjusted net bank credit), up from ₹50.2 trillion from Fiscal 2023. (provisional amounts from the RBI's annual report).

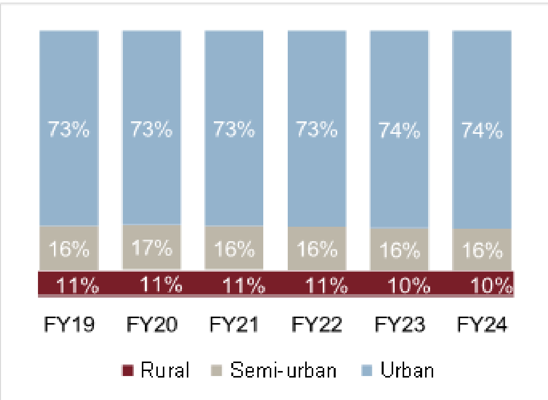
- Priority sector lending ensures credit flow to underserved segments of the population through banks. PSL also encourages bridging the gap between rural and urban credit and hence lower regional imbalances. PSL is also used by the government to ensure that credit is given to sectors which can help the country in the long term. PSL mandates banks to lend to MSMEs, which ultimately adds to the overall manufacturing output of the country.
- Small Saving Schemes: Sukanya Samridhi Yojana is a savings scheme designed by the government especially for female children. Parents of a female child can save for their education and marriage purposes through this investment scheme. The scheme was launched as a part of the Beti Bachao, Beti Padhao campaign. As of December 2023, 3.2 crore accounts were active as part of the scheme. Mahila Samman Savings Certificate was launched as a part of Union Budget 2023-2024 through which women of any age could open an account with a minimum deposit of ₹1,000 and maximum deposit of ₹2,00,000 provided with a facility of partial withdrawal. The interest rate for the accounts was declared at 7.5% p.a., which will be compounded quarterly. Other small saving schemes available include Kisan Vikas Patra.

Rural India accounts for 47% of GDP, but only 10% of deposits and 8% of credit

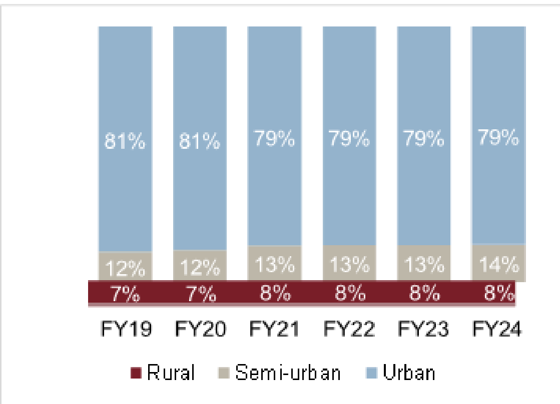
Rural India has a crucial role to play, as 65% of the population resides in rural areas, as per 2021 data from the Economic Survey (January 2023) and as per the Census data of 2011, there are over 6.4 lakh villages in India. Lack of bank infrastructure, low level of financial literacy and investment habits, along with lack of formal identification, are some of the reasons for low penetration.

Share of bank credit and deposits shows low penetration in rural areas

Population group-wise share of deposit



Population group-wise share of credit



Note: Urban includes data for urban and metropolitan areas, Above data represents indicators for scheduled commercial banks in India, E: Estimated.
Source: RBI

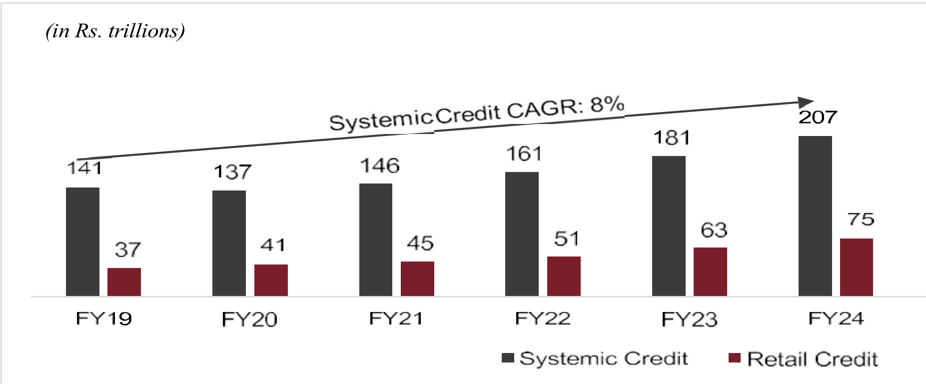
OVERVIEW AND MARKET LANDSCAPE OF NBFC SECTOR IN INDIA

Systemic Credit

Corporate credit determines the growth in overall credit as it accounts for nearly two-third of systemic credit. The slowdown in economic activity, coupled with heightened risk aversion among lenders, tightened the overall credit growth to approximately 6.3% in Fiscal 2021. In Fiscal 2022, the systemic credit growth picked up steam despite the second wave of COVID-19 hurting economic growth in the first quarter of the fiscal. The retail credit has been a strong driving force behind the growth in overall credit. Retail credit witnessed a growth of 9% year-on-year during Fiscal 2021 and 13% during Fiscal 2022, while non-retail credit grew at a slower pace of 3% and 9% during Fiscal 2021 and Fiscal 2022.

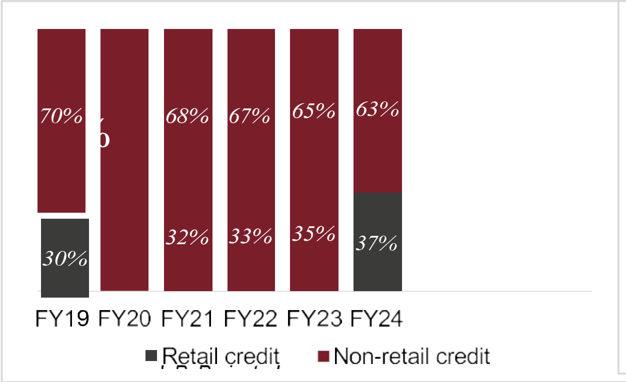
The systemic credit grew at 10.5% year-on-year in Fiscal 2022 to reach approximately ₹161 trillion. The growth was mainly driven by the budgetary push towards investments, pick-up in private investment, and business activities. In Fiscal 2023, systemic credit showed strong growth at 12.8% year-on-year on back of pent-up retail demand. In Fiscal 2024, credit growth was healthy at 14.1% year-on-year on the back of disbursements to the retail segment, resilient demand for home and vehicle loans and supported by the services segment with healthy demand from NBFC's and trade segments.

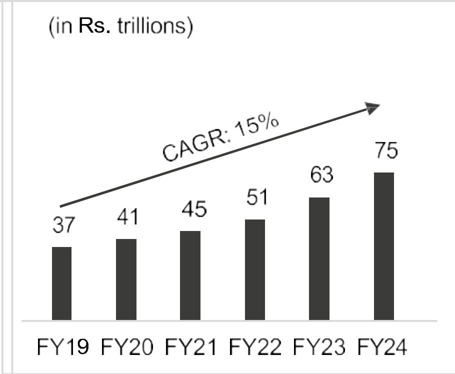
Going forward in Fiscal 2025, loan growth in the retail segment, although normalizing, is expected to remain the top credit growth driver supported by banks' focus in expanding their retail portfolios. The normalisation is due to moderation in credit growth of unsecured credit owing to RBI's risk weight circular (Regulatory Measures towards consumer credit and bank credit to NBFCs, November 2023).



Note: P: Projected, E: Estimated, Systemic credit includes domestic banking credit (after deduction of bank lending to NBFC), NBFC credit, commercial papers, external borrowings, corporate bonds excluding those issued by Banks and NBFC.
Source: RBI, Company Reports

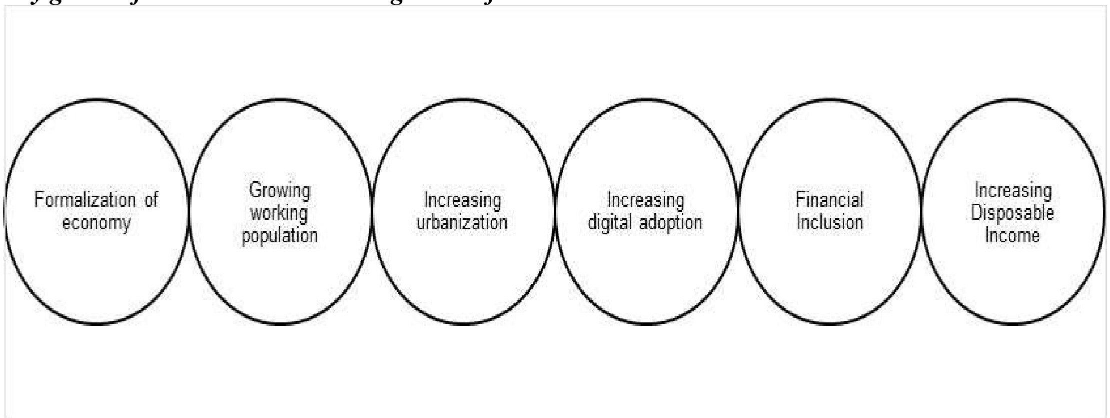
The retail credit (which includes Housing finance, Vehicle Financing, Gold Loans, Education Loans, Consumer Durables, Personal loans, credit cards and microfinance) in India stood at ₹75 trillion, as of Fiscal 2024, which rapidly grew at a CAGR of 15% between Fiscals 2019 and 2024. Retail credit growth in Fiscal 2020 was around approximately 12%, which came down to approximately 9% in Fiscal 2021. However, post-pandemic, retail creditgrowth revived back to reach approximately 13% in Fiscal 2022. In Fiscal 2023, retail credit has grown at around 22% on a year-on-year basis due to strong growth in retail book of private banks as compared to public banks. Retail credit grew at 20% in Fiscal 2024 supported by steady demand in underlying assets like housing, auto and growth in credit card and personal loans growth driven by consumption. The Indian retail credit market has grown at a strong pace over the last few years and is expected to grow further at 14-16% between Fiscal 2024 and Fiscal 2027 with risks evenly balanced. Moreover, the increasing demand and positive sentiments in the Indian retail credit market presents an opportunity for both banks and NBFCs to broaden their investor base. However, RBI's risk weight circular, sustained inflation and increase in lending rates could play spoilsport in the retail credit growth.





Note: E: Estimated, P: Projected Source: RBI

Key growth factors that will aid the growth of retail credit



Overview of NBFC Sector in India

The Indian financial system includes banks and non-banking financial companies (NBFCs). Though the banking system dominates financial services, NBFCs have grown in importance by carving a niche for themselves by catering to customers in underbanked regions or those who would not be catered to by traditional financial institutions, due to absence of credit history or lack of proper collateral records.

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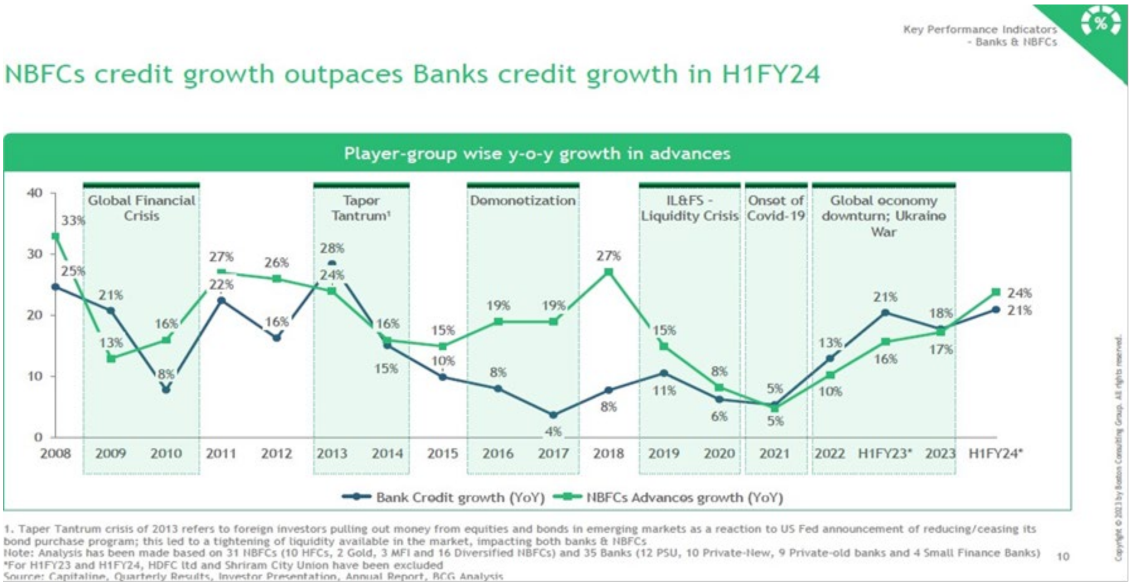
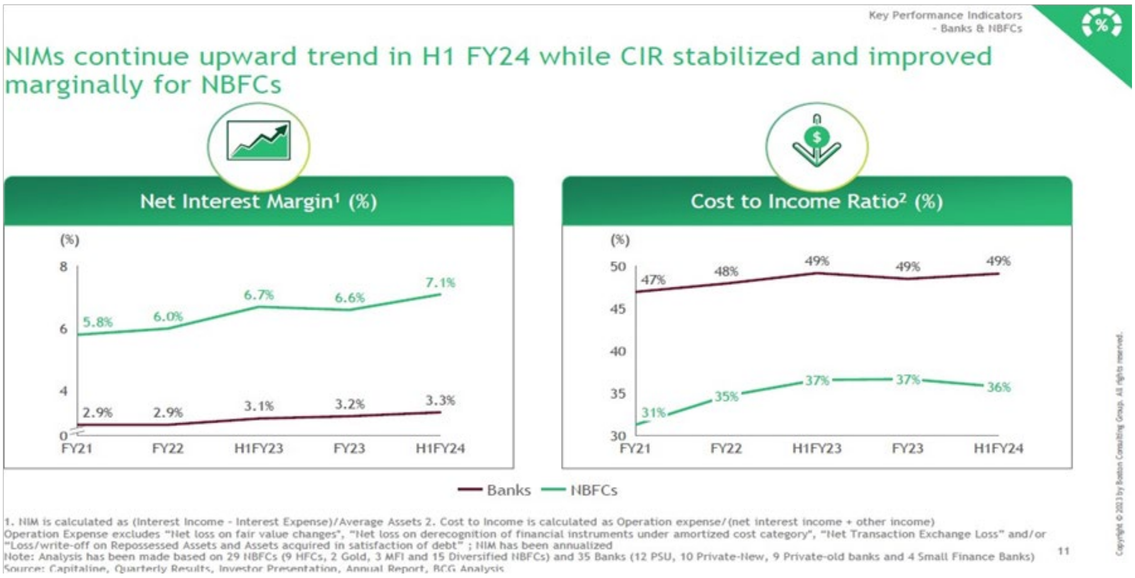




NBFC credit to grow faster than systemic credit

The credit growth of NBFCs, which has trended above India's GDP growth historically, is expected to continue to rise at a faster pace. NBFCs have shown remarkable resilience and gained importance in the financial sector ecosystem, growing from less than ₹2 trillion AUM at the turn of the century to ₹41 trillion at the end of Fiscal 2024. During Fiscals 2019 to 2024, NBFC credit is estimated to have witnessed a growth at CAGR of 11%. Rapid revival in the economy is expected to drive consumer demand in Fiscal 2025, leading to healthy growth in NBFCs.

NBFC's share in systemic credit is estimated to have increased from 12% in Fiscal 2008 to 20% in Fiscal 2024. Overall, consolidation in certain corporate groups and other corporate activities indicate buoyancy in the NBFC space and expectations of healthy credit growth.

With high focus on retail loans, NBFCs are driving financial inclusion

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication, and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations. The increasing penetration of neo-banking, digital authentication, and mobile phone usage as well as mobile internet has resulted in the modularisation of financial services, particularly credit. Overall

NBFC credit during Fiscals 2019 to 2024 is estimated to have witnessed a CAGR of around 11%, which was majorly led by retail segment which is estimated to have witnessed a CAGR of approximately 14%, while NBFC non-retail credit is estimated to have witnessed a CAGR of around 9% during the same time period.

MSME, auto and other retail loans contributed approximately 53% to overall NBFC credit in Fiscal 2024

Though infrastructure accounts for the highest share in NBFC credit (24%) as of Fiscal 2024, its share in the overall NBFC credit outstanding has come down over the past fiscals from 29% in Fiscal 2019. Retail and MSME segments are expected to experience higher growth in the upcoming fiscals. MSME credit accounted for 21% share as of Fiscal 2024, witnessing a rise in its market share from 16% in Fiscal 2019.

Distribution of NBFC Credit across asset classes

Growth of asset classes

Asset class (₹ trillion)	Fiscal 2024E portfolio outstanding (₹ trillion)	Share of NBFCs/HFCs/ NBFC-MFIs	Overall portfolio CAGR (Fiscal 2020-Fiscal 2024E)	NBFCs portfolio CAGR (Fiscal 2020-Fiscal 2024E)	Growth Fiscal 2024-Fiscal 2025 for overall portfolio	Growth Fiscal 2024-Fiscal 2025 for NBFCs
MSME Loans	35.4	25%	18%	17%	20-22%	24-26%
Housing loans	33.7	19%	12%	10%	14-15%	12-13%
Retail Auto Loans	14.1	43%	11%	11%	15-16%	15-16%
Personal loans	13.4	23%	26%	35%	16-18%	24-26%
Gold loans	9.5	8%	33%	35%	19-21%	17-18%
Microfinance loans	4.4	49%	18%	23%	16-18%	18-20%
Consumer durables	0.7	66%	16%	22%	20-22%	22-24%

Source: RBI, NHB, MFIN, CRIF

NBFCs Growth Drivers

1. Last mile financing & unbanked population

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

2. Focus on informal customer base

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

3. Technological adoption and Co-lending arrangements:

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape as compared to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.
NBFCs also partner with various alternative financiers and commercial banks, which enables them to diversify their income avenues and reach their targeted customer base through different channels.

4. Shift in buying behaviour

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

5. Rising demand from retail customers

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

6. Increased demand from MSME and agriculture

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

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

MSME LOANS

Overview of MSME sector in India

The MSME (Micro Small and Medium Enterprises) sector has experienced remarkable growth and transformation, becoming a cornerstone of India’s economy. The estimated number of MSMEs in India is around 70 million as of Fiscal 2022. MSMEs in India are significantly contributing to the economy by generating substantial employment opportunities at a lower capital investment compared to larger industries. Additionally, they facilitate the industrialisation of rural and underdeveloped regions, thereby mitigating regional disparities and promoting a more equitable distribution of national income and wealth. The MSME sector contributes to India’s socio-economic development by providing huge employment opportunities in rural and backward areas and reducing regional imbalances.

The Government expects that MSMEs’ contribution to GDP to increase from 29.2% in Fiscal 2022 to 40-50% by Fiscal 2030. As of Fiscal 2024, MSME’s contribute a 45.73% share of India’s exports. Further, as on October 2024, the total employment recorded on the UDYAM registration portal (since inception July 1, 2020 to October 8, 2024) is 196.0 million.

MSME segment accounts for about around 29% of Indian GDP Rs trillion

Fiscal Year	Total MSME GVA	Growth (%)	Total GVA	Share of MSME in GVA (%)	All India GDP	Share of MSME in All India GDP (in %)	Number of MSMEs (in millions) *
2016	41	11.0%	126	32.3%	138	29.7%	63.5
2017	45	10.9%	140	32.2%	154	29.2%	65.5
2018	51	13.0%	155	32.8%	171	29.8%	66.5
2019	57	12.9%	172	33.5%	190	30.0%	68.5
2020	61^	7.6%	184	33.4%	201	30.5%	NA
2021	54^	-12.0%	182	29.7%	198	27.2%	NA
2022	69^	27.1%	214	32.0%	235	29.2%	70.0
2023	81^	8%	246	30.1%	269	NA	NA

Note: (*) – Estimated, All India GDP as of current prices, (^) Calculated numbers, Source: MSME Ministry Annual reports, Role of MSME Sector in India- Ministry of Micro, Small & Medium Enterprises, Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1946375

Snapshot of MSMEs in India

*Note: *Data as of Fiscal 2023,^ Data as of Fiscal 2022 ** The numbers are estimated.*
Source: MSME Ministry Annual report for Fiscal 2023, MSME Ministry Annual report for Fiscal 2024, Ministry of Micro, Small & Medium Enterprises (Source: https://www.pib.gov.in/PressNoteDetails.aspx?NoteId=152063&ModuleId=3&reg=3&lang=1),

The RBI has adopted the definition of MSMEs in line with the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. This definition is based on investments in plant and machinery in the manufacturing and services sectors. To bring in more enterprises under the ambit of MSMEs and widen the definition of MSMEs considering inflation over the past few years, in June 2020, the Government revised the MSME investment limit across each category and introduced an alternate and additional criterion of turnover buckets to the definition. It further removed the difference between the definition of manufacturing based and services based MSMEs.

In June 2021, the Indian government has included retailers and wholesalers under the MSMEs definition to extend the benefits of priority sector lending to traders as well. The move is structurally positive from a long-term perspective, as it will enable entities operating in the segment to register on Government's Udyam portal, participate in government tenders and avail financing options/benefits available to the category.

New MSME definition removed distinction between manufacturing and services

Old MSME classification			
Criteria: Investment in plant and machinery or equipment			
Classification	**Micro**	**Small**	**Medium**
Manufacturing enterprises	Investment < ₹2.5 million	Investment < ₹50 million	Investment < ₹100 million
Services enterprises	Investment < ₹1 million	Investment < ₹20 million	Investment < ₹50 million
Revised MSME classification			
Composite Criteria: Investment and annual turnover			

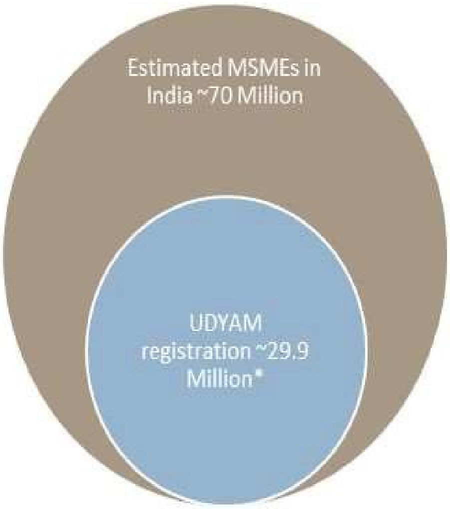
Classification	Micro	Small	Medium
Manufacturing and Services enterprises	Investment < ₹10 million and Turnover < ₹50 million	Investment < ₹100 million and Turnover < ₹500 million	Investment < ₹500 million and Turnover < ₹2.5 billion

Source: MSME Ministry

Formalisation of MSMEs: Around 36% of total estimated MSMEs in India are registered under UDYAM system

After the government revised the definition of MSMEs in June 2020, MSMEs that had an existing MSME registration (Udyog Aadhaar Number or UAN), or Enterprise Memorandum ("**EM**"), were required to re-register themselves under UDYAM. Thereafter, in August 2020, the RBI issued a notification allowing financiers to obtain the UDYAM certificate from entrepreneurs for lending purposes.

There has been a large push for formalisation of MSMEs in recent years. In Fiscal 2016,



MSMEs registered on the UDYAM portal (similar government portals) were almost 0.5 million, which increased to approximately 24.9 million in Fiscal 2024. As of October 8, 2024, close to 29.9 million MSMEs are registered on UDYAM. A UDYAM certificate will be required by MSMEs for taking benefit of any scheme of the Central government. The UDYAM portal is also integrated with the Government e-Marketplace ("**GeM**") and the Trade Receivables and Discounting System ("**TReDS**"), so that enterprises can participate in government procurement and have a mechanism for discounting their bills.*ote: *As of October 8, 2024, Source: MSME Ministry*

Year/ Category	Fiscal 2016	Fiscal 2024
Micro	421,516	24,097,281
Small	70,866	708,216
Medium	2,631	67,481
Total	**495,013**	**24,872,978**

Source: Development Commissioner Ministry of Micro, Small & Medium Enterprises (DCMSME), UDYAM Registrations

Top 10 State-wise UDYAM registration of MSMEs

MAHARASHTRA	**4,850,492**	16%
TAMIL NADU	**2,915,295**	10%
UTTAR PRADESH	**2,844,236**	10%
RAJASTHAN	**2,119,790**	7%
GUJARAT	**2,076,024**	7%
KARNATAKA	**1,693,952**	6%
MADHYA PRADESH	**1,439,861**	5%
WEST BENGAL	**1,257,613**	4%
BIHAR	**1,214,335**	4%
PUNJAB	**1,132,902**	4%

Note: (*) Based on Cumulative MSME registration as of October 8, 2024 (https://dashboard.msme.gov.in/Udyam_Statewise.aspx) Source: UDYAM Registrations

Overview of MSME financing in India

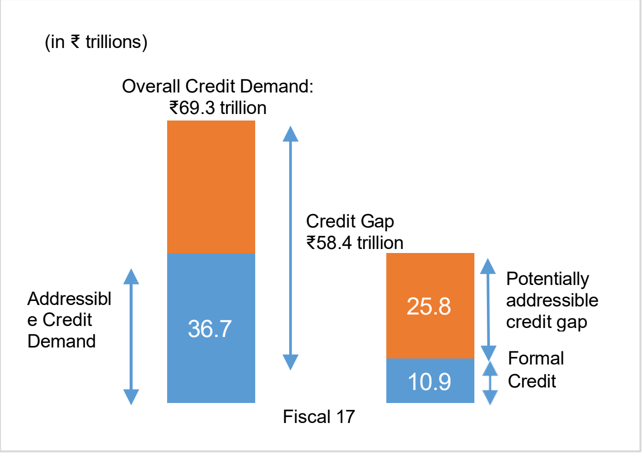
MSME credit gap

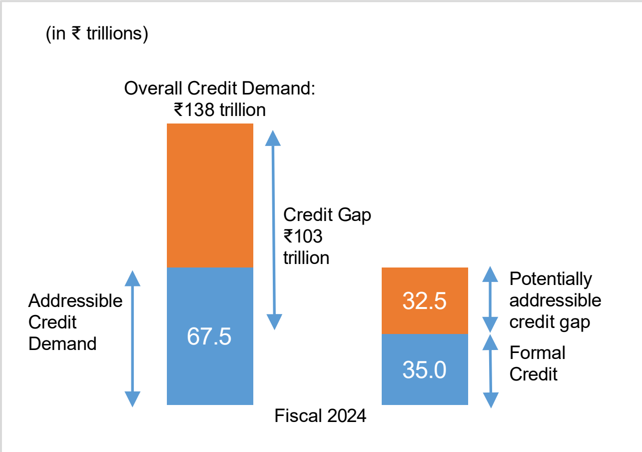
High risk perception and prohibitive cost of delivering services physically have constrained formal lending to MSMEs. The emerging self-employed individuals and micro, small and medium enterprise segment is largely unaddressed by lending institutions in India.

An IFC report titled Financing India's MSMEs (November 2018) estimated the MSME credit demand at ₹69.3 trillion in Fiscal 2017, of which only approximately 16% of demand was met through formal financing and consequently, the MSME credit gap (defined as the gap between the demand for funds amongst MSMEs and the supply from formal financiers) was estimated at ₹58.4 trillion. This gap was met through informal sources including moneylenders, chit funds and personal sources from friends and relatives. The interest rate for these sources generally ranges between 30-60% per annum.

The credit gap is estimated to have further widened over the last four years due to slower economic growth in Fiscal 2020, followed by the COVID-19 pandemic in Fiscal 2021. In Fiscal 2021, the nationwide lockdown to contain the spread of the COVID-19 pandemic disrupted economic activity, hurt demand, impacted working capital needs and supply chain along with future investments and expansions. Furthermore, government schemes post the COVID-19 pandemic such as the ECLGS scheme provided relief only to MSME units with existing loans from a formal financial institution.
As of Fiscal 2024, the MSME credit demand is estimated to be around ₹138 trillion, of which 25% of demand is met through formal financing.

Despite increase in MSME loans outstanding, large credit gap still exists.





Note: E: Estimated, Source: IFC report on Financing India's MSMEs dated November 2018

As per the IFC report titled Financing India's MSMEs (November 2018), out of total MSME credit demand of ₹69.3 trillion in Fiscal 2017, the addressable credit demand was at ₹36.7 trillion after removing demand from new MSMEs, commercially unviable MSMEs and micro

MSMEs that do not seek formal financing as these types of MSMEs voluntarily go for informal source of credit on account of the process being much faster, some MSMEs are quite young with no operational track record to prove their credit worthiness to the lender and MSMEs which are estimating near term bankruptcy. Out of the total addressable credit demand of ₹36.7 trillion (53% of the total credit demand of ₹69.3 trillion) in Fiscal 2017, formal source accounted for ₹10.9 trillion taking potentially addressable credit demand gap to ₹25.8 trillion (Fiscal 2017), which represented MSME credit gap that could have been addressed by Financial Institutions in the near term.

On the similar lines, as of Fiscal 2024, the total addressable credit demand at ₹67.5 trillion, out of which current formal financing stands at ₹35 trillion taking the total addressable MSME credit gap to ₹32.5 trillion, which needs to be met by Financial Institutions.

Even while the credit gap has increased, new MSME units continue to be set up across India. Between Fiscal 2016 and Fiscal 2022, 18.3 million units were set up, according to the Indian government registration data of MSMEs. Thus, though a myriad of small businesses is set up every day in India, access to credit remains a challenge. However, the industry has witnessed an increase in access to formal credit to MSME, which could be attributed to the increase in the number of UDYAM registered MSMEs. The two pandemic waves were particularly tough for the MSMEs on account of no or fewer economic activities. The pandemic led to frequent lockdowns and restrictions that interrupted supply chains, demand and hence profitability of the MSMEs. During Fiscal 2023, the Indian economy normalised, with industrialisation and urbanisation picking up pace. As a result, revenue increased by 20% for corporate India, while SMEs' revenue grew 11%. In line with the overall growth, aggregate MSME credit grew 30% in Fiscal 2023. In Fiscal 2024, overall MSME credit grew by 30% due to higher credit demand from MSMEs and higher focus by lenders on the asset class leading to higher disbursements.

Smaller enterprises relatively more starved of credit

The smaller enterprises are much more starved of institutional credit, and therefore, they primarily depend on promoter contribution for working capital and fund requirements. While the access to funding has improved in the last few years, credit remains out of bounds for large swathes of the MSME population in India.

Banks and NBFCs offer various credit products based on the need of MSMEs. Such products include Loan against property, Supply chain financing, Inventory funding, Unsecured business loans, etc.

Loan against property: It is a secured business loans which is disbursed by financial institutions against the mortgage of property. The property act as collateral/security and therefore the financial institution charges comparatively lesser interest rates than unsecured loans.

Supply chain finance (SCF): SCF consists of financing MSMEs against invoices and receivables as intermittent collaterals. It includes providing cash to suppliers against receivables from buyers.

Inventory funding: Inventory acts as one of the most important factors for running business smoothly. Inventory financing facilitate MSMEs to buy adequate inventories which could act as collateral for the loan. It helps MSMEs in maintaining optimal stock levels without impacting their cash flows.

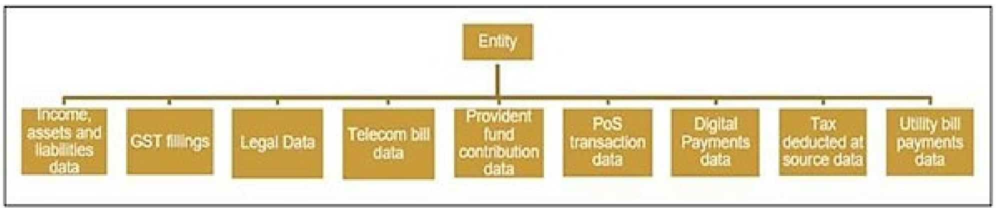
Growth drivers for MSME Credit

High credit gap in the MSME segment

As per estimates, less than 15% of approximately 70 million odd MSMEs have access to formal credit in any manner as of March 2022. High risk perception and the prohibitive cost of delivering services physically have constrained traditional institutions' ability to provide credit to underserved or unserved MSMEs and self- employed individuals historically. As a result, they resort to credit from informal sources. This untapped market offers huge growth potential for financial institutions. As stated earlier, the credit gap was estimated at around ₹58.4 trillion as of Fiscal 2017 (Source: IFC report named Financing India's MSMEs released in November 2018) and is estimated to have widened further to around ₹103 trillion as of Fiscal 2024.

Increased data availability and transparency

With increased digital initiatives by the MSMEs, the shift towards their formalisation and digitisation has created a plethora of data points for lenders that would help improve the efficacy of credit assessment and gradually enable provision of credit to hitherto underserved customer segments. This increase has created a digital footprint of customers, which can be potentially used for credit decision making, along with other relevant parameters such as customer demographics, business details, credit score, and personal situation of the borrower. Demonetisation and GST have further accelerated formalisation of the Indian economy.



Source: Company data

Increasing access and faster turnaround time

Due to availability of multiple data points and technology solutions, the lending process involving documentation, verification and processing of the transactions has evolved and now takes much lesser time. Technology led enhancements such as use of big data analytics and social media campaigns to acquire customers, use of direct and derived variables for underwriting, automated processes, minimum documentations, Aadhar based e-KYC, account aggregators and flexible repayment options due to simplified real-time digital payments system have helped reduce processing time, increasing access to credit for borrowers and faster TAT.

Growth in branch network of players in MSME segment

Over past few years, players offering MSME loans have expanded their branch network with the intent to serve a larger customer base. Share of borrowers from top cities in India has been on a declining trend indicating that lenders are shifting their focus on MSMEs in rural and semi urban areas.

Entry of new players and partnerships between them

Multiple data points can be used for credit assessment

Lenders are increasing the use of digital platforms to help automate and digitize loan sanctioning process however the borrower is required to possess documents for the initial clearance as stated by the banks. Incumbent traditional lenders will increasingly leverage the network of their partners and/or digital ecosystem to cross-sell products to existing customers, tap customers of other lenders, and cater to new-to-credit customers. This will expand the market for MSME loans.

Robust government support

The government has a special focus on the MSME sector on account of its economic contribution to the economy and number of people employed in the sector. MSMEs in India come under the purview of Government of India, Ministry of MSME, Khadi Village and Coir Industries Commission (KVIC). The government launched Udyam Assist Platform (UAP) on January 11, 2023 to enhance formalisation of the economy. As of June 28, 2024, 19 million informal micro enterprises have joined UAP to come under the formal economy. Government of India has also introduced a new scheme called 'PM Vishwakarma' aiming to improve the quality of products and services of small artisans and craftsman and ensure that their companies are a part of national and global supply chain. The scheme was launched on September 2023. The initial amount to be disbursed under the scheme is ₹13,000 crores for five years from Fiscal 2023-2024 to Fiscal 2027-2028.

Relaxation in the threshold under the SARFAESI Act from ₹5 million to ₹2 million for NBFCs

In the Union Budget 2021-2022, for NBFCs with a minimum asset size of ₹1 billion, the minimum loan size eligible for debt recovery under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) Act, 2002 was proposed to be reduced from the existing level of ₹5 million to ₹2 million. The objective of this move is to improve credit discipline while continuing to protect the interest of small borrowers. This relaxation is expected to facilitate recovery from stressed books, help the NBFCs to improve their ability to recover smaller loans and strengthen their overall financial health. More importantly, it acts as a deterrent to default and enhances the enforceability of collateral for players focused on the medium ticket size LAP segment with loans of ₹2 million-₹5 million.

Inclusion of retail and wholesale trade under MSME category

In July 2021, the Ministry of Micro, Small and Medium Enterprises decided to include Retail and Wholesale trade as MSMEs for the purpose of Priority Sector Lending and they would be allowed to be registered on UDYAM Registration Portal. The move is structurally positive from long-term perspective, as it will enable entities operating in the segment to register on Government's UDYAM portal, participate in government tenders and also avail financing options/benefits available to the category. This move will also aid in the formalisation of India's retail trade and enable financial support to small and mid-sized retail businesses. By widening the scope of MSME to cover wholesale as well as retail trade, this move also creates an additional opportunity for MSME lenders to increase their penetration and business.

Prime Minister's Employment Generation Programme (PMEGP) providing margin money to MSMEs

PMEGP is a credit linked subsidy scheme to provide employment opportunities by establishing new micro enterprises in the non-farm sector where margin money is provided to MSMEs availing loan from banks to set up new enterprises. The maximum margin money provided under the scheme for setting up a new project is ₹5 million for manufacturing sector and ₹2 million for service sector. Geo-tagging for the products and services of the units set up under this scheme has been initiated. This will help the enterprises with creating market linkages.

Credit Guarantee Fund Scheme extended to cover NBFCs

One of the major reasons why MSMEs are credit-starved is the insistence by banks or financial institutions for the provision of collateral against loans. Collaterals are not easily available with such enterprises, leading to a high-risk perception and higher interest rates for these MSMEs. In order to address this issue, the government launched the Credit Guarantee Fund Scheme under the aegis of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) in order to make collateral-free credit available to micro and small enterprises. In January 2017, the scheme was extended to cover systemically important NBFCs as well.

Digital penetration

The lenders have been increasingly leveraging technology solutions and alternative data to source and underwrite MSME loans. Such changes in MSME lending have been driven by:

Digital/technological changes:

- E-commerce platforms (B2C and B2B): Connecting buyers and sellers
- Introduction of digital lending focused NBFCs: Use of technology to provide MSME lending
- Low-cost internet data availability: Facilitating increase in internet penetration
- Business solutions focussed on MSME such as digitising accounting, workflows, operations, etc., leading to better data availability

Government led initiatives:

- Introduction of UPI: Simplified real-time digital payments
- GST implementation: Simplified business taxes, improved formalisation of businesses
- Aadhaar based e-KYC: Reduced documents requirements, faster TAT, Aadhaar-PAN linkage facilitating lenders to verify information
- ONDC: Facilitated adoption of e-commerce through open protocol

RBI-led initiatives:

- TReDS: TReDS is an electronic platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers
- Account aggregators: Act as a common platform which enable sharing and consumption of data from various entities with user consent.**Key success factors for NBFCs offering MSME Loans**

Ability to dive into deeper geographies with a strong branch network: Players need to have a clear and deeper understanding of their target customer segment, the markets they operate in and develop a strong local network. The deeper understanding and presence of inhouse sales team for direct sourcing within the segment also leads to lower customer churn.

Focussed approach to tap underserved niche borrower segments: MSME focussed lenders need to build a portfolio with deep understanding of the target segment and market. Specific tailor-made lending products for MSMEs with easier data availability to help lenders take a focussed approach.

Strong underwriting capabilities: MSMEs tend to generally be more impacted by vagaries of the business cycle given their limited financial wherewithal and/or reliance on larger buyers. On account of limited data to support credibility of the MSME borrower, lenders are now using alternate methods of underwriting like cash flow analysis to strengthen their underwriting capabilities.

On-the-ground presence to manage collections and maintain portfolio quality: Additionally, given that players in the segment also cater to a relatively riskier profile, a strong focus on collections and monitoring risk of default at customer level is vital to manage asset quality. Direct Sourcing allows control over the quality of customers and processes involved for disbursement, which can lead to better asset quality, as compared to other methods of customer acquisition.

Collateral risk management: Properties that are used as collateral for MSME loans sometimes lack proper property titles, especially in the outskirts of large cities, semi-urban and rural areas.

WORKING CAPITAL FINANCING

Overall Working Capital Financing segment in India stood at ₹17.7 trillion as of Fiscal 2024, witnessing a CAGR of approximately 16.4% from Fiscal 2019. As of Q1 Fiscal 2025, overall Working Capital Financing segment stands at ₹17.6 trillion. The segment has witnessed continuous growth across fiscals, with the fastest year-on-year growth in outstanding credit witnessed in Fiscal 2023 and Fiscal 2024.

Loans less than ₹1.0 million witnessed the fastest growth in Working Capital Loan Segment

Among ticket brackets, loans less than ₹1 million witnessed the fastest growth among ticket brackets growing at a CAGR of 18.3%, while it accounts for nearly 9% share in overall working capital loan segment, this was followed by loans between ₹5 to 10 million growing at a CAGR of 17.8%, accounting for nearly 9% share.

Loans less than ₹1.0 million witnessed the fastest growth in Working Capital Loan Segment from Fiscal 2019-2024

Ticket Bracket (in ₹ Billion)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Q1 Fiscal 2025	CAGR (Fiscal 2019-2024)
< ₹1 million	653	742	847	952	1,230	1,512	1,481	18%
₹1 million – 2.5 million	519	564	728	798	925	1,122	1,083	17%
₹2.5 million – 5 million	552	622	767	892	1,014	1,156	1,133	16%
₹5 million – 10 million	664	758	946	1,129	1,295	1,506	1,490	18%
> ₹10 million	5,896	6,759	8,660	10,228	11,015	12,383	12,452	16%

Note: Working capital financing portfolio outstanding as reported in the commercial bureau. Source: CRIF Highmark

Public Sector Banks witnessed the fastest growth among lenders from Fiscal 2019-2024, while accounting for the highest share

Among lenders, public sector banks witnessed the fasted growth during Fiscals 2019-2024, growing at a CAGR of approximately 23%, which was followed by NBFCs and HFCs growing at a CAGR of approximately 21% from Fiscal 2019-2024. Among lenders, Private Sector banks accounted for the highest share in credit outstanding with a share of around 47%.

Public Sector Banks witnessed the fastest growth among lenders from Fiscal 2019-2024, while accounting for the highest share

Portfolio Outstanding (in ₹ billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Q1 Fiscal 2025	CAGR (Fiscal 2019-2024)
NBFCs & HFCs	128.5	166.5	190.9	292.7	290.7	339.4	344.7	21%
Private Banks	4,391.9	4,198.0	5,163.9	5,565.3	6,436.8	7,494.6	7,478.6	11%
Public Sector Banks	2,992.9	4,131.2	5,498.7	6,918.6	7,308.3	8,277.1	8,258.4	23%
Others	770.4	949.2	1,094.3	1,221.9	1,442.7	1,567.1	1,556.8	15%

Note: Working capital financing portfolio outstanding as reported in the commercial bureau.
Source: CRIF Highmark

Urban Regions accounted for the highest share in Working Capital Loan Segment as of Fiscal 2024

Urban regions accounted for the highest share in working capital loan segment, accounting for nearly 63% market share followed by rural regions accounting for nearly 22% share and semi-urban regions accounting for approximately 11% market share. While the fastest growth was witnessed in rural regions during the fiscals growing at a CAGR of approximately 23% followed by semi-urban regions which grew at a CAGR of approximately 19%.

Urban Regions accounted for the highest share in Working Capital Loan Segment accounting for nearly 63% share

Tier (₹ billions)	Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024	Q1 Fiscal 2025	CAGR (Fiscal 2019-2024)
Rural	1,346.4	1,497.1	1,968.9	2,393.0	2,992.0	3,801.2	3,821.5	23%
Semi-Urban	849.0	909.6	1,174.6	1,418.2	1,730.8	1,991.1	2,009.9	19%
Urban	5,780.5	6,650.7	8,142.1	9,463.3	10,088.5	11,134.3	11,083.6	14%
Others	307.8	387.6	662.2	724.0	667.2	751.5	723.5	20%

Note: Working capital financing portfolio outstanding as reported in the commercial bureau.
Source: CRIF Highmark

Threats and challenges in MSME Loan Segment

MSME lending segment is expected to witness a rapid growth in the upcoming fiscals, however, there are a few risks associated with lending to this segment.

- **Inadequate credit history of borrowers:** Generally, small borrowers often lack credit history, which is necessary for underwriting. Additionally, they do not have the financial capabilities to invest in maintaining proper accounts due to which it becomes difficult for lenders to assess their creditworthiness.
- **Borrowers susceptible to policy and regulatory changes:** Owing to the highly dynamic industry environment, MSMEs are vulnerable to policy and regulatory changes to which they might not have a capability to cope with.
- **Borrowers lack liquidity and are vulnerable to cash flow challenges:** MSMEs often face delays in payments which significantly impact their cash flow cycle and in-turn impact their repayment behavior.
- **Borrowers are unable or unwilling to share all information:** Borrowers usually do not have all the required information available because of which lenders cannot assess the borrowers in a better manner.
- **MSMEs lack updated technology as compared to large companies:** Large companies have higher sophistication of technology, which MSME players lack owing to low capital; hence they face the risk of getting outdated.
- **Inadequate financial literacy:** MSME owners often lack financial expertise. The lack of financial literacy may lead to poor financial planning.

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 Equity Shares, Shareholders should read this entire Letter of Offer. An investment in Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 24 of this 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 111 and 160 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 Audited Financial Statements.

Overview and History:

Our Company was incorporated as Som Datt Finance Corporation Limited, a public limited company under the Companies Act, 1956, with the Certificate of Incorporation issued by the Registrar of Companies, West Bengal, on October 19, 1993, bearing Registration No. 060507. The Company commenced its business on November 03, 1993, and was initially assigned the Corporate Identification Number (CIN) L65921WB1993PLC060507.

On May 11, 2019, Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee entered into a Share Purchase Agreement with certain sellers who were part of the earlier promoter group viz., Mrs. Usha Datt, Mrs. Latika Datt Abbott, Mrs. Anuradha Datt Munjal, Mrs. Charu Datt Bhatia, Mrs. Sadhana Singh, Mrs. Anjali Anand, Som Datt Enterprises Pvt. Ltd., Som Datt Power Ltd., and Som Datt Investments and Finance Co. Pvt. Ltd to acquire 69.19% of the outstanding shares of the Company resulting in a change of control in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations") and subject to the prior approval of Reserve Bank of India ("RBI"). After receipt of the approval from RBI and after completing the open offer process in terms of the SEBI SAST Regulations, the Share Purchase Agreement dated May 11, 2019, was consummated. Thereafter, the BSE Limited ("BSE") approved the reclassification as promoters and change of control to Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee vide its letter dated September 22, 2021.

After the acquisition by Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee, our Company's Registered Office was relocated to the National Capital Territory (NCT) of Delhi, and a new CIN: L65921DL1993PLC377542, was issued on February 25, 2021, bearing Registration No. 377542.

In November 2022, Dr. Bhaskara Rao Bollineni and Mr. Bhavanam Ruthvik Reddy entered into a Share Purchase Agreement with Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee to acquire 69.34% shares of the Company resulting in a change of control. This acquisition, formalised through a Share Purchase Agreement (SPA) dated November 09, 2022, in compliance with the SEBI SAST Regulations and was subject to prior approval of RBI. After receipt of the approval from RBI and after completing the process of open offer in terms of the SEBI SAST Regulations, the Share Purchase Agreement dated November 09, 2022 was consummated. Thereafter, BSE approved the reclassification of promoters with the exit of Mr. Kuldip Singh Rathee and Mrs. Vijay Rathee, and appointment of Dr. Bhaskara Rao Bollineni and Mr. Bhavanam Ruthvik Reddy as promoters of the Company vide letter dated March 28, 2024.

Further, the Company relocated its Registered Office to Telangana on August 13, 2024. The current CIN assigned to the Company is L65921TS1993PLC188494, bearing Registration No. 188494.

Our Business

The Company is a Non-Systematically Important Non-Deposit Company, categorized as an Investment and Credit Company (ICC), and is registered with the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934. The Company was initially granted a Certificate of Registration by the RBI on March 29, 2005, under Registration No. B.05-02987. This certificate was later updated, and a new Certificate of Registration was issued on September 23, 2021, with Registration No. B-14.03556, allowing the Company to continue operating as a Non-Banking Financial Company (NBFC). This certificate was later further updated, and a new Certificate of Registration was issued on February 27, 2025 with Registration No. N-09.00492 allowing the Company to continue operating as a Non-Banking Financial Company (NBFC). Currently, the Company is primarily engaged in proprietary investments in stocks and securities, with its revenue largely derived from dividends and investment income.

Our Business Model and Strategy

Our Company's Business Model, which has predominantly focused on investment activities over the past few years, is now evolving to create a balanced approach between Investment and Lending verticals. This strategic diversification is aimed at building a strong and resilient asset base.

1) Investments

a) **Equity and Mutual Funds**

For several years, our company has primarily operated as an investment entity, emphasizing investments in listed companies. Our portfolio is strategically diversified across Large-cap, Mid-cap, and Small-cap stocks to mitigate risks and optimize returns. Additionally, the company selectively considers opportunities to invest in unlisted entities, such as DPIIT-registered startups, ensuring alignment with our risk appetite and growth strategy.

b) **Fixed Income and Debt Instruments**

Beyond equities, the company's investment portfolio may include fixed-income securities and debt instruments such as bonds, debentures, and similar products. These lower-risk investments are designed to generate steady and predictable income, contributing to overall portfolio stability.

2) Lending

The Company plans to launch its lending operations in the coming quarters, initially focusing on the Healthcare sector. Our lending framework is designed to support underserved segments while adhering to regulatory compliance in both letter and spirit.

Lending Focus Areas:

1. **Customised Lending for MSMEs**
   We aim to deliver tailored lending solutions to MSMEs operating in Healthcare, Renewable Energy, and other emerging sectors. Our goal is to empower small businesses with the financial tools they need to thrive.

2. **Equipment Financing for Hospitals**
   To enhance healthcare services, we plan to offer financial solutions enabling hospitals to acquire essential medical equipment, including CT scanners, X-ray machines, and sonography devices. This initiative supports the modernisation and expansion of healthcare infrastructure.

3. **Receivable Financing**
   Recognising the cash flow challenges faced by businesses, we will provide receivable financing solutions. This will include funding mechanisms such as invoice discounting and short-term loans to help businesses access liquidity quickly, ensuring financial stability and operational continuity.

4. **Loans for Professionals and Salaried Employees**
   We aim to support professionals, including doctors, and salaried employees by offering loans tailored to meet both professional and personal financial needs. These solutions will empower individuals to achieve their goals with flexible and reliable funding options.

By adopting this dual-pronged strategy, we aspire to position the company as a dynamic player in the financial ecosystem, fostering growth, resilience, and value creation for all stakeholders.

Lending Policy

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

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

2. Credit Pricing - Credit will be priced after considering our cost of funds, expected credit cost and the operational cost. Pricing may be varied through the term of the loan or credit facility, based on product

needs. In addition to fixed rate loans, interest rates may be floating and reset to reflect market conditions during the term of the loan.

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

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

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

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

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

Regulatory Compliance and Corporate Governance

As a company regulated by the **Reserve Bank of India (RBI)**, our business model adheres to strict regulatory requirements and corporate governance standards. We ensure:

- **Compliance with RBI Guidelines:** The Company complies with all applicable RBI regulations regarding lending, investment, and financial disclosures.

- **Adherence to SEBI Regulations:** As we deal with publicly listed shares, we strictly adhere to the **Securities and Exchange Board of India (SEBI)** guidelines on stock market transactions, insider trading, and corporate disclosures.

- **Transparency and Accountability:** The Company maintains high standards of transparency and regularly updates shareholders.

Competitive Strengths:

1. **Robust Corporate Governance**
   Our strong corporate governance framework prioritizes transparency, ethical practices, and strict regulatory compliance. By integrating advanced technology and effective risk management practices, we safeguard stakeholder interests while promoting sustainable growth and trust.

2. **Comprehensive Risk Management Framework**
   We employ a robust risk management system that monitors market, operational, and liquidity risks in real-time. This proactive approach allows us to adapt strategies effectively, ensuring financial stability and capitalizing on growth opportunities even in volatile conditions.

3. **Experienced Leadership Team**
   Our management team comprises seasoned professionals with extensive industry expertise and market insights. Their strategic vision and operational excellence will enable us to consistently achieve business objectives, ensuring steady growth in both our lending and investment portfolios.

4. **Strong Capital Base and Advanced Technology**
   With access to significant capital and a commitment to innovation, we have adopted an asset-light model for our technology operations. By leveraging proven SaaS-based IT solutions, we deploy cutting-edge technology from the onset of our lending operations, optimizing resource efficiency and scalability.

5. **Ethical Investments and Full Regulatory Compliance**
   We are committed to upholding high ethical standards across all investment and trading activities. Our deep understanding of the regulatory environment ensures compliance with all statutory requirements, fostering credibility that enables us to identify and seize new market opportunities.

6. **Expertise and Market Adaptability**
   Our expertise across diverse customer segments, product categories, and markets empowers us to anticipate and respond swiftly to both short-term challenges and long-term trends. This adaptability will position us to consistently capture growth opportunities while maintaining resilience in dynamic market conditions.

Utilities and Infrastructure Facilities:

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

Marketing:

To support our business model and ensure robust customer acquisition, we have devised a phased marketing strategy:

Phase 1: Direct Customer Sourcing

- Leverage our proprietary list of potential customers which has been, prepared meticulously by our team through extensive field visits, interactions with industry forums, and participation in industry events. This targeted approach ensures we reach the most relevant and high-potential segments.

- Focus on reaching customers directly through digital channels such as targeted online advertisements, social media campaigns, and search engine optimisation (SEO).

- Launch a user-friendly website and /or mobile application to create a seamless on-boarding experience for customers.

- Conduct awareness programs and webinars to educate potential customers about our tailored financial products and services.

Phase 2: Engagement with DSAs and Partnerships

- After establishing a solid customer base, we will collaborate with Direct Sales Agents (DSAs) to expand our reach.

- Form strategic partnerships with ecosystem players, including fintechs, NBFCs, financial intermediaries, and banks, to enhance distribution channels and co-develop innovative financial solutions.

By implementing this two-phase strategy, we aim to maximize customer acquisition and retention while ensuring sustainable growth across our investment and lending verticals.

Human Resources/Manpower:

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

Competition:

We operate in a dynamic and highly competitive industry. Our competition spans a diverse spectrum, including public sector banks, private sector banks (domestic and foreign), financial institutions, captive finance arms of corporations, small finance banks, fintech lending platforms, private unorganized lenders, and other NBFCs actively involved in SME, retail, and individual lending. Many of these competitors have significant advantages, such as larger resource pools, higher business volumes, and access to lower-cost funds. They often enjoy broader geographical reach, well-established partnerships, implementing new technologies, rationalising operational costs and the ability to offer a more extensive range of financial products and services. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We are exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans.

The competitive dynamics in our industry are influenced by factors such as evolving government and regulatory policies, the entry of new market participants.

Insurance: Not Applicable

Intellectual Property Rights: Not Applicable

Corporate Social Responsibility:

We as a responsible corporate citizen are committed to taking up different developmental projects, towards improving the quality of lives of the underprivileged sections of society and other stakeholders. Our Company has not as yet reached the statutory limits for mandatory compliance with Corporate Social Responsibility norms.

Property:

Our Company does not own any freehold property and we carry our business operations from the sub-lease property at 8-2-502/1/A, Ground Floor, JIVI Towers, Road No 7, Banjara Hills, Hyderabad, Khairatabad, Telangana, India, 500034.

OUR MANAGEMENT

The composition of our Board is governed by the provisions of the Companies Act, the rules prescribed thereunder, the SEBI Listing Regulations, the norms of the Code of Corporate Governance as applicable to listed companies in India, and the Articles of Association. As of the date of filing this Letter of Offer, we have six (6) Directors on our Board, comprising 2 (two) Executive Directors, 1 (one) Non-Executive Non-Independent Director and 3 (three) Non-Executive Independent Directors including 1 (one) Women Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and the constitution of committees thereof.

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

Sr. No.	Name	DIN	Category	Designation
1.	Dr. Bhaskara Rao Bollineni	00008985	Non- Executive	Chairman
2.	Mr. Subba Rao Veeravenkata Meka	07173955	Executive	Managing Director
3.`	Mr. Bhavanam Ruthvik Reddy	08372627	Executive	Whole-Time Director & CEO
4.	Mr. Rajvir Singh Chhillar	08651668	Non-Executive	Independent Director
5.	Ms. Jayanthi Talluri	09272993	Non- Executive	Independent Director
6.	Mr. Venkata Ramana Dhulipala	10669584	Non- Executive	Independent Director

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

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
1.	**Dr. Bhaskara Rao Bollineni** **DIN**: 00008985 **Date of Birth**: 01-01-1954 **Qualification**: MBBS: 1981 Rangaraya Medical College, Kakinada, Andhra University, India M.S.: 1984 Madras Medical College, Chennai, Madras University, India DNB CT Surgery: 1987 National Board of Examination, New Delhi, India **Designation**: Chairman & Non-Executive Non-Independent Director **Address**: R/o H. No 21-26/4 survey No. 611, 612 and 613, Mission compound, Near RGI Police station, Shamshabad, KV Rangareddy, Telangana – 501218 **Occupation**: Doctor **Nationality**: Indian **Tenure:** Liable to retire by rotation ***Period of Directorship:*** *Since July 2023*	71	1. Krishna Institute of Medical Sciences Limited 2. KIMS Hospitals Private Limited 3. KIMS Swastha Private Limited 4. KIMS Hospital Bengaluru Private Limited 5. Bluebridge Capital Private Limited 6. DocTutorials Edutech Private Limited 7. BRS Medical Association 8. SPANV Medisearch Lifesciences Private Limited 9. Prakara Learning Private Limited 10. Sarvejana Healthcare Private Limited 11. RAB Ventures LLP (designated partner)

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
2.	**Mr. Subba Rao Veeravenkata Meka** **DIN**: 07173955 **Date of Birth**: 19-06-1960 **Qualification**: • Masters of Business Administration with specialization in Marketing from Andhra University, Waltair (1982) • Bachelor of Commerce from Osmania University, Hyderabad (1980) **Designation**: Managing Director **Address**: G402, Trendset Winz, Nanakramguda, Hyderabad 500032 **Occupation**: Service **Nationality**: Indian **Tenure:** 3 years, From September 12. 2023 to September 11, 2026, Liable to retire by rotation ***Period of Directorship:*** *Since July 2023*	64	1. Tiffinease Foods Private Limited 2. Rx Foods (OPC) Private Limited
3.	**Mr. Bhavanam Ruthvik Reddy** **DIN**: 08372627 **Date of Birth**: 10-09-1994 **Qualification**: Bachelor of Technology in Civil Engineering from SRM University, Chennai, India 2016 **Designation**: Whole Time Director and CEO **Address**: 8-2-293/82/HE/4, Huda Enclave, Near Andhra Jyothi Office, Jubilee Hills, Hyderabad, Telangana – 500096. **Occupation**: Service **Nationality**: Indian **Tenure:** 3 years, From September 12. 2023 to September 11, 2026, Liable to retire by rotation ***Period of Directorship:*** *Since* *July 2023*	30	1. Bhavanam Constructions LLP (designated partner)

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
4.	**Mr. Rajvir Singh Chhillar** **DIN**: 08651668 **Date of Birth**: 12-08-1956 **Qualification**: BA **Designation**: Non-Executive Independent Director **Address**: EC-176, Maya Enclave, Hari Nagar, Delhi- 110064 **Occupation**: Service. **Nationality**: Indian **Term**: From December 27, 2019, to December 26, 2024 and 3 years from December 27, 2024, to December 26, 2027 ***Period of Directorship:*** *Since December 2019*	68	NIL
5.	**Ms. Jayanthi Talluri** **DIN**: 09272993 **Date of Birth**: 17-12-1972 **Qualification**: LLB **Designation**: Non-Executive Independent Director **Address**: Flat No. 303, Plat No 87 Sailok Bhaniraj Residency, Gautami Enclave, Kondapur, Hyderabad Telangana- 500084 **Occupation**: Legal Professional **Nationality**: Indian **Term**: 2 Years, from September 12, 2023 to September 11, 2025. ***Period of Directorship:*** *Since September, 2023*	52	1. International Conveyors Limited 2. Refex Renewables & Infrastructure Limited 3. Securekloud Technologies Limited 4. Talluri Law Consultancy (OPC) Private Limited 5. Talluri's Kitchen Temple Private Limited
6.	**Mr. Venkata Ramana Dhulipala** **DIN**: 10669584 **Date of Birth:** 22-06-1960 **Qualification**: Bachelor of Science degree, CAIIB certification, and Diplomas in Financial Services and Bank Management **Designation:** Non-Executive Independent Director	64	Nil

S.No.	Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term	Age	Other Directorship
	Address: Flat No. 501, 5th Floor, Road no-3, Venkateswara Heights Building, Near Radhika Theater, A.S Rao Nagar, Secunderabad, Hyderabad, Telangana- 500040 **Occupation**: Service **Nationality**: Indian **Term**: 3 Years from July 29, 2024 to July 28, 2027 ***Period of Directorship:*** *Since July 2024*		

1. **Dr. Bhaskara Rao Bollineni – Non Executive Director and Chairman.**

Dr. Bhaskara Rao Bollineni is a distinguished cardiothoracic surgeon and the founder of Krishna Institute of Medical Sciences (KIMS), a leading healthcare institution in India. He holds a Bachelor of Medicine, Bachelor of Surgery (MBBS) degree from Rangaraya Medical College, Andhra University (1981), and a Master of Surgery (MS) from Madras Medical College, Madras University (1984). He further specialized in Cardio Thoracic Surgery, earning a DNB from the National Board of Examinations, New Delhi (1987).

With over 25 years of experience, Dr. Rao has performed more than 30,000 surgeries and is a pioneer in the field of cardiac surgery in India. His entrepreneurial vision led to the establishment of KIMS, providing world-class healthcare services across Telangana and Andhra Pradesh. He has played a key role in making healthcare more accessible to low-income populations through initiatives like the Rajiv Gandhi Aarogyasri scheme.

Dr. Rao has been instrumental in the growth of KIMS, which has earned several prestigious awards, including the 'Best Hospital of the Year' at the Times Healthcare Achievers Awards., 2017, As the Chairman and Managing Director of KIMS, he continues to drive innovation in healthcare while maintaining a focus on quality and affordability.

2. **Mr. Bhavanam Ruthvik Reddy – Whole time director & CEO**

Mr. Bhavanam Ruthvik Reddy is 30 years of age with a Bachelor of Technology in Civil Engineering from SRM Institute of Science and Technology, Chennai (2016). With over five years of experience in the healthcare sector, he has specialized in overseeing hospital acquisitions, conducting market research, and performing financial analysis and due diligence and secretarial due diligence.

Mr. Ruthvik has been involved in projects in the healthcare sector focused on improving data management, including digitizing prescriptions to enhance operational efficiency. He has also played a key role in revenue projections, helping to track and review financial performance. His expertise lies in strategic planning, market analysis, and integration processes post-acquisition.

3. **Mr. Subba Rao Veeravenkata Meka (Mr. Venkat Subbarao) – Managing Director**

Mr. Subba Rao Veeravenkata Meka (Mr. Venkat Subbarao) is an experienced professional with over three decades in the banking and financial services sector. He holds an MBA in Marketing from Andhra University, Waltair (1982), and a B.Com from Osmania University, Hyderabad (1980).

Mr. Venkat Subba Rao's career includes leadership roles at RBS (NatWest) Group, where he served as Senior Vice President and Head of Corporate & Retail Operations, India. He was part of global leadership teams for both Retail and Corporate businesses. Notably, he led the Strategic Payments Platform Project in Amsterdam, designing a Standard Operating Model for Global Payments.

He managed the transition of ABN AMRO entities to RBS and played a key role in establishing an insurance vertical and overseeing banking operations. Between 2002 and 2006, Mr. Venkat Subba Rao led the offshore migration of Payment Operations from European countries.

In his early career, he shaped the Operational Risk Assessment Policy for ABN AMRO and led the integration of Bank of America's Consumer Banking Franchise in India in 1999. Starting in 1983 at Syndicate Bank, he progressed through various roles, demonstrating leadership abilities and contributing to operational goals. His strategic acumen and leadership are set to drive growth and success in his role as Managing Director of the Company.

4. **Mr. Rajvir Singh Chhillar- Independent director**

Mr. Rajvir Singh Chhillar is a retired officer from the Army Ordnance Corps, bringing over 30 years of experience in general management and logistics. Throughout his distinguished career, he has developed expertise in strategic planning, process optimization, and organizational management. Mr. Chhillar has demonstrated strong leadership and strategic decision-making skills, driving operational efficiency and enhancing productivity. His ability to optimize processes has contributed to the success of various organizations. With a solid foundation in governance, he has a deep understanding of organizational structures and management practices. His comprehensive experience equips him to make significant contributions to leadership roles, decision-making, and overall organizational growth.

5. **Ms. Jayanthi Talluri – Independent director**

Ms. Jayanthi Talluri is a seasoned legal professional with over 24 years of experience in litigation and corporate counsel across various sectors, including healthcare, IT & ITES, infrastructure, real estate, airports, and commercial corporate matters. She is an alumna of the prestigious National Law School of India University (NLSIU), Bangalore, and comes from a family of renowned lawyers.

Under the mentorship of her late father, Mr. T.S. Haranath, a senior advocate at the High Court of Andhra Pradesh, she honed her expertise in law. Ms. Talluri is also an IIAM-certified International Business Negotiator and a Six Sigma Green Belt holder in Contract Management.

She has served as a corporate trainer on the Prevention of Sexual Harassment at the Workplace (POSH) and has been an External Member and Inquiry Officer for IC Committees across several corporates. With her diverse expertise and leadership, Ms. Talluri has significantly contributed to corporate legal affairs and the advancement of workplace policies.

6. **Mr. Venkataramana Dhulipala– Independent director**

Mr. Venkataramana Dhulipala, born on June 22, 1960, is a seasoned banking professional with over 40 years of experience in various capacities. His academic background includes a Bachelor of Science degree, CAIIB certification, and Financial Services and Bank Management diplomas.

Mr. Ramana's career started with the State Bank of India in 1980. Later, he moved to the Indian Overseas Bank ("IOB") as a Probationary Officer in 1984. His last assignment was in Chennai as General Manager at Indian Overseas Bank from October 2018 to June 2020, where he oversaw the Corporate Credit and International Departments. His responsibilities included IOB's Country portfolio for Corporate Credit and overseeing (P&L responsibility) all the overseas Branches of IOB (Hong Kong, Singapore, Sri Lanka, Malaysia, and Thailand), demonstrating his comprehensive understanding of the banking industry.

Before this, Mr. Ramana was General Manager at Indian Overseas Bank from May 2017 to October 2018, where he was responsible for the P&L and the overall growth and development of the Hyderabad zone comprising Telangana, Andhra Pradesh, Chhattisgarh and Madhya Pradesh.

From July 2016 to April 2017, he was the Chief Regional Manager at IOB, Chandigarh, managing, with P &L responsibility, a region comprising Punjab, Haryana, Chandigarh, Himachal Pradesh and Jammu & Kashmir.
Mr. Ramana's previous roles include serving as Deputy General Manager from December 2013 to June 2016, where he led the Corporate Finance Branch, Nariman Point, Mumbai with a business mix of ₹ 19,000 crores. His responsibilities encompassed credit monitoring, NPA management, and customer service.

Earlier in his career, he was the Assistant General Manager, H.O. Chennai, IOB in charge of the Risk Management Department, managing operational risks and regulatory reporting, and the Chief Manager in Bangkok, Thailand, where he was responsible for credit management and regulatory compliance.

Throughout his extensive career, Mr. Ramana has demonstrated strong expertise in credit, risk, regulatory compliance, and performance optimization.

Past Directorship in Suspended Companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer. However, Mr. Rajvir Singh Chhillar was a director in the Company when its shares were suspended from trading on the Calcutta Stock Exchange Limited (CSE). The Company applied for voluntary delisting from CSE in 2007, and due to this, did not submit compliance documents thereafter. In 2021, the Company paid the necessary fees to CSE for revocation of the suspension, and CSE delisted the shares effective December 20, 2021. Since then, the Company's shares have been listed and traded exclusively on the BSE

Past Directorship in Delisted Companies

Further, none of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer. However, Mr. Rajvir Singh Chhillar was a director in the Company when its shares got delisted from Calcutta Stock Exchange Limited (CSE) effective December 20, 2021.

KEY MANAGERIAL PERSONNEL (KMP) AND SENIOR MANAGEMENT PERSONNEL (SMP)

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

Name	Designation	Associated with the Company since
Mr. Subba Rao Veeravenkata Meka	Managing Director	July 21, 2023
Mr. Bhavanam Ruthvik Reddy	Whole-Time Director & CEO	July 21, 2023
Ms. Neha Agarwal	Company Secretary	August 1, 2023
Mr. Shashank Shankpal	Chief Finance Officer	April 5, 2024
Mr. Sai Kumar Subramanya*	Head - Business Development	May 28, 2025

**Mr. Sai Kumar Subramanya joined the Company on October 21, 2024, and has been designated as Senior Management Personnel w.e.f. May 28, 2025.*

Confirmations

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

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company. However, Mr. Rajvir Singh Chhillar was a director in the Company when its shares were suspended from trading on the CSE. The Company applied for voluntary delisting from CSE in 2007, and due to this, did not submit compliance documents thereafter. In 2021, the Company paid the necessary fees to CSE for revocation of the suspension, and CSE delisted the shares effective December 20, 2021. Since then, the Company's shares have been listed and traded exclusively on the BSE."

3. None of the Directors of our Company are or were associated in the capacity of a director with any listed company that has been delisted from any stock exchange(s) at any time in the past. However, Mr. Rajvir Singh Chhillar was a director in the Company when its shares got delisted from Calcutta Stock Exchange Limited (CSE) effective December 20, 2021.

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

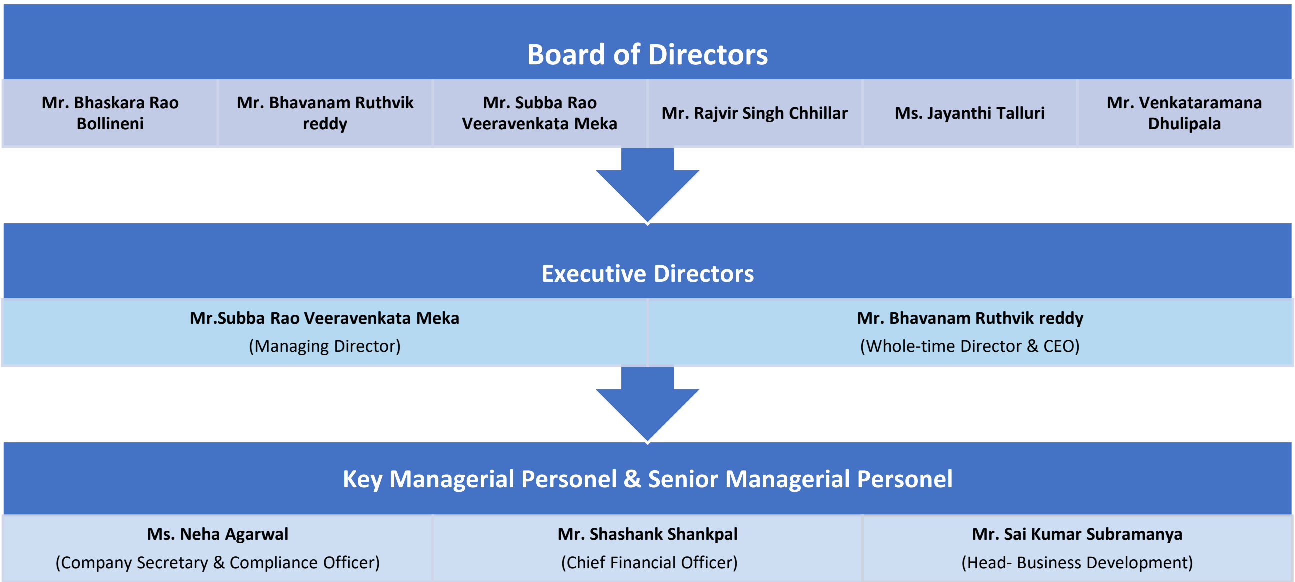
5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

6. Company's equity shares were suspended from trading by the Calcutta Stock Exchange ("CSE") between March 21, 2014 to August 18, 2021, due to certain non-compliances with the listing agreement. Post revocation of suspension, Company applied for voluntary delisting from the CSE and its equity shares were subsequently voluntarily delisted from the CSE on December 20, 2021.

Management Organisation Structure

The Management Organisation Structure of the company is depicted in the following chart;

Management Organisation Structure



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance apply to us. We comply with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act, and the SEBI (ICDR) Regulations, with respect to corporate governance including the 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 the following committees in accordance with the requirements of the Companies Act and SEBI Listing Regulations:

1) Audit Committee
2) Nomination and Remuneration Committee
3) Stakeholders' Relationship Committee

TERMS OF REFERENCE OF VARIOUS COMMITTEE:

1) Audit Committee

The following members are forming a part of the said Committee:

Name	**Designation**
Mr. Rajvir Singh Chhillar	Chairperson
Mr. Subba Rao Veeravenkata Meka	Member
Ms. Jayanthi Talluri	Member
Mr. Venkata Ramana Dhulipala	Member

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

The scope, functions, and terms of reference of our Audit Committee, are in accordance with Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI Listing Regulations. The role of the Audit Committee under Schedule II Part-C of SEBI (LODR) Regulations, 2015 is as follows:

a. Financial reporting oversight

Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient, and credible;

b. Auditor appointment and remuneration

Recommendation for appointment, remuneration, and terms of appointment of auditors of the listed entity;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

c. Review of Financial Statements

Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

i. Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of subsection sub-section (3) of Section 134 of the Companies Act, 2013;
ii. Changes, if any, in accounting policies and practices and reasons for the same;
iii. Major accounting entries involving estimates based on the exercise of judgment by management;
iv. Significant adjustments made in the financial statements arising out of audit findings;
v. Compliance with listing and other legal requirements relating to financial statements;
vi. Disclosure of any related party transactions;
vii. Modified opinion(s) in the draft audit report;

d. Quarterly Financial Statements

Reviewing with the management, the quarterly financial statements before submission to the board for approval;

e. Review of fund utilization

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 issue or rights issue or preferential issue or qualified institutions placement public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;

f. Auditor independence and performance

Reviewing and monitoring the auditor's independence and performance, and the effectiveness of the audit process;

g. Related Party Transactions

Approval or any subsequent modification of transactions of the listed entity with related parties;

h. Inter-Corporate Loans and Investments

Scrutiny of inter-corporate loans and investments

i. Valuation and internal controls

Valuation of undertakings or assets of the listed entity, wherever it is necessary;

j. Internal audit function

- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of the 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- 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;
- Discussion with statutory auditors before the audit commences, about the nature and scope of the audit as well as post-audit discussion to ascertain any area of concern;
- 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;

k. Whistleblower Mechanism

To review the functioning of the whistleblower mechanism;

l. Appointment of CFO

- Approval of appointment of a chief financial officer after assessing the qualifications, experience background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

m. Additional responsibilities

- 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 of the date of coming into force of this provision.

- Consider and comment on the rationale, cost-benefits, and impact of schemes involving merger, demerger, amalgamation, etc., on the listed entity and its shareholders.

2) Nomination and Remuneration Committee

The following members forming a part of the said Committee:

Name	Designation
1. Mr. Rajvir Singh Chhillar	Chairman
2. Dr. Bhaskara Rao Bollineni	Member
3. Ms. Jayanthi Talluri	Member

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

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

A. Authority And Scope

The Nomination and Remuneration Committee is authorized to exercise all powers and perform all the functions as specified in Section 178 of the Companies Act, 2013 and the rules made there under, and Regulation 19 of SEBI (LODR) Regulation, 2015, both, as amended from time to time. The said Committee is authorized to exercise all powers specified in the Companies Act, 2013 and rules made there under, the Nomination and Remuneration policy of the Company and the SEBI (LODR) Regulation, 2015, both, amended from time to time.

B. Brief description of Terms of Reference:

The role of the Nomination and Remuneration Committee under Schedule II Part- D of SEBI (LODR) Regulations, 2015 are as follows:

i. Policy formulation

Formulation of the criteria for determining qualifications, positive attributes, and independence of a director and recommending to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel, and other employees;

ii. Independent director appointment

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 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. To identify suitable candidates, the committee may:

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

iii. Evaluation and Diversity

- Formulation of criteria for evaluation of the performance of independent directors and the board of directors;
- Devising a policy on diversity of the board of directors;
- 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.
- Whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors.
- Recommend to the board, all remuneration, in whatever form, payable to senior management.

3) Stakeholders' Relationship Committee

The following members forming a part of the said Committee:

Name	Designation
1. Mr. Rajvir Singh Chhillar	Chairperson
2. Mr. Bhavanam Ruthvik Reddy	Member
3. Mr. Subba Rao Veeravenkata Meka	Member

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

The scope, functions, and terms of reference of our Stakeholders' Relationship Committee, are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations .The role of the Stakeholders Relationship Committee pursuant to Schedule II Part- D of SEBI (LODR) Regulations, 2015 are as follows:

i. Grievance resolution

Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

ii. Voting Rights and Service Standards:

- Review of measures taken for effective exercise of voting rights by shareholders.
- 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.

iii. Unclaimed Dividends and Shareholder Communications:

- 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
- The role of the Committee is to consider and resolve the grievances of the security holders of the company including complaints related to non-receipt of annual reports and non-receipt of declared dividends.

Our Key Managerial Personnel:

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

Ms. Neha Agarwal, Company Secretary and Compliance Officer

Ms. Neha Agarwal Is the Company Secretary and Compliance Officer of our Company, appointed in August 2023. She has over 17 years of experience in corporate governance, legal compliance, and strategic advisory. Neha holds educational qualifications in LLB, an ACS, an MBA in Finance, a PGDBA in HR, and holds a Bachelor's degree in Commerce. In her professional journey, Neha has worked with prominent organizations, gaining extensive expertise in managing mergers and acquisitions, corporate restructuring, legal compliance, and providing strategic legal counsel to senior management. Prior to joining our Company, she held key roles in organizations such as Daaj Hotels and Resorts, GMR Group, and Karvy Group, excelling in legal documentation, contract negotiations, and ensuring adherence to statutory and regulatory requirements.

Mr. Shashank Shankpal, Chief Financial Officer

Mr. Shashank Shankpal is the Chief Financial Officer of our Company, appointed in April 2024. He brings over 16 years of extensive expertise in corporate finance, strategy, fundraising (debt and equity), treasury management, investor relations, and financial planning within the financial services sector.

Before joining our Company, Mr. Shashank served as the Head of Strategic Projects & Risk Support at IDFC FIRST Bharat Limited. He also played a pivotal role as the Head of Fundraising and Treasury at Vaya Finserv Private Limited, where he was responsible for developing the company's borrowing profile and establishing relationships with various lenders to create a diversified liability franchise. Earlier in his career, he worked with Vistaar Financial Services Private Limited, overseeing corporate finance, investor relations, business planning, and budgeting. Mr. Shashank began his career at Bharat Financial Inclusion Limited (formerly SKS Microfinance Limited), where he gained valuable experience in raising funds through both debt and equity, including active involvement in IPO and QIP initiatives.

Mr. Shashank holds an MBA in Finance and a Bachelor's degree in Commerce. As CFO, he oversees the financial operations and strategic financial planning of the company, contributing to its continued growth and financial stability.

Status of each Key Managerial Personnel

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

Our Senior Management Personnel (SMP):

Sai Kumar Subramanya

Mr. Sai Kumar Subramanya is a senior management leader with 20 years of experience in business strategy, sales, and operations across Africa and India. He has a proven track record in scaling businesses, launching innovative products, and building strategic partnerships. His previous leadership roles span the microfinance, solar energy, and insurance sectors, during which he managed multi-million-dollar portfolios and large teams. An alumnus of IIM Ahmedabad, he has a strong focus on delivering profitable and sustainable growth through strategic planning and execution.

He possesses skills in team building, market research, brand management, and digital marketing. Adept at navigating diverse markets, he is experienced in leading transformative business initiatives. He remains committed to driving excellence and creating value for stakeholders globally.

Mr. Sai Kumar Subramanya joined the Company on October 21, 2024, and has been designated as Senior Management Personnel with effect from May 28, 2025.

Retirement and Termination Benefits

Other than the statutory benefits that the Key Managerial Personnel are entitled to upon their retirement, the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

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

None of the Directors or Key Managerial Personnel are related to each other except Mr. Bhavanam Ruthvik Reddy who is a relative of Dr. Bhaskara Rao Bollineni.

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OUR PROMOTERS

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

BRIEF PROFILE OF OUR PROMOTERS IS AS UNDER:

1. Dr. Bhaskara Rao Bollineni

Dr. Bhaskara Rao Bollineni is a Non-Executive Director and Chairman of the Board	
Age	71 years
PAN	ADAPB6170F
Qualification	MBBS: 1981 Rangaraya Medical College, Kakinada, Andhra University, India M.S.: 1984 Madras Medical College, Chennai, Madras University, India DNB CT Surgery: 1987 National Board of Examination, New Delhi, India
Personal Address	R/o H. No 21-26/4 survey No. 611, 612 and 613, Mission compound, Near RGI Police station, Shamshabad, KV Rangareddy, Telangana – 501218
Directorship & Other Ventures	1. Krishna Institute of Medical Sciences Limited 2. KIMS Hospitals Private Limited 3. KIMS Swastha Private Limited 4. KIMS Hospital Bengaluru Private Limited 5. Bluebridge Capital Private Limited 6. DocTutorials Edutech Private Limited 7. BRS Medical Association 8. SPANV Medisearch Lifesciences Private Limited 9. Prakara Learning Private Limited 10. Sarvejana Healthcare Private Limited 11. RAB Ventures LLP (designated partner)

2. Mr. Bhavanam Ruthvik Reddy

Mr. Bhavanam Ruthvik Reddy is a whole Time Director and Chief Executive Officer of the company aged 30 Years.	
Age	30 years
PAN	EFWPB2939J
Qualification	Bachelor of Technology in Civil Engineering from SRM University, Chennai, India 2016
Personal Address	8-2-293/82/HE/4, Huda Enclave, Near Andhra Jyothi Office, Jubilee Hills, Hyderabad, Telangana – 500096
Directorship & Other Ventures	Bhavanam Constructions LLP (designated partner)

A BRIEF PROFILE OF OUR PROMOTER GROUP IS AS UNDER: NIL

Confirmations

1. Neither of our Promoters have been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

2. Our Promoters are not declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

3. Neither of our Promoters nor the Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors, or persons in control of any other company, that is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

INTEREST OF OUR PROMOTER

Interest of Promoters

Our Promoters do not have any interest in our Company except to the extent of compensation payable / paid, and reimbursement of expenses, and to the extent of any equity shares held by them, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled **"Capital Structure", "Restated Financial Statements"** and **"Our Management"** beginning on pages 57, 111 and 95 respectively of this letter of offer. Except as stated otherwise in this Letter of Offer, we have not entered into any contract, agreements or arrangements in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer to the section titled **"Related Party Transactions"** in chapter **"Restated Financial Statements"** beginning on page no. 111 of this letter of offer.

Interest in the promotion of our Company

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

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

Except as mentioned in the chapter titled **'Our Business'** beginning on page 90 of this letter of offer, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in 3 (three) years before filing of this letter of offer or any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

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

Except as stated above in "Our Management" and "Restated Financial Statements" beginning on pages 95 and 111 respectively of this letter of offer, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing letter of offer or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

MATERIAL GUARANTEES GIVEN TO THIRD PARTIES

Our Promoters have not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

RELATIONSHIP OF OUR PROMOTERS WITH OUR DIRECTORS

As of the date of the letter of offer, none of our Promoter(s) are related to any of our Company's Directors within the meaning of Section 2 (77) of the Companies Act, 2013, except for Dr Bhaskara Rao Bollineni and Mr Bhavanam Ruthvik Reddy who are related to each other.

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

As of the date of the letter of offer, none of our Promoter(s) have disassociated with any Companies in the preceding three years.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Financial Statements, see section titled "***Financial Information***" beginning on page 111 of this Letter of Offer.

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DIVIDEND POLICY

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

We have not declared any dividend in the previous three (3) financial years and in the 9 months ended December 31, 2024, immediately preceding this issue.

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SECTION VI – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

S. No.	Particulars	Page No.
1.	Restated Financial Statements for the nine months period ended December 31, 2024 and as at Financial Years ended March 31, 2024, March 31, 2023 and March 31, 2022.	Starting from page number 112

LATEST AUDITED FINANCIAL STATEMENTS

S. No.	Particulars	Page No.
1.	Audited financial results for the quarter and year ended March 31, 2025 including the audit report of the Auditors, approved by the Board of Directors of the Company filed with BSE dated May 28, 2025	Annexure starting from page number 213

D. S. TALWAR & CO.
CHARTERED ACCOUNTANTS
S - 58, Greater Kailash-II, New Delhi – 110048
Phone: 46109229
Email: v_dst@yahoo.co.in

INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL STATEMENTS

To
The Board of Directors
Som Datt Finance Corporation Limited
8-2-502/1/A, Ground Floor
Jivi Towers, Road No. 7, Banjara Hills
Hyderabad - 500034, Telangana.

Dear Sir / Madam

1. We have examined the attached Restated Financial Statementsof **Som Datt Finance Corporation Limited** (the "Company" or the "Issuer"), comprising the Restated Statement of Assets and Liabilities as at 31st December 2024, 31st March 2024, 31st March 2023 and 31st March 2022,and the Restated Statement of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the nine months period ended 31st December 2024, and for the years ended 31st March 2024, 31st March 2023 and31st March 2022 , including the material accounting policies, notes to accounts, related party transactions, and other explanatory information (collectively, the "**Restated Financial Statements**"), as approved by the Board of Directors of the Company at their meeting held on 27th March 2025 for the purpose of inclusion in the Draft Letter of Offer/Letter of Offer ("LOF") prepared by the Company in connection with its proposed Rights Issue of equity shares ("**Rights Issue**") prepared in terms of the requirements of:
   a) Section 26 of Part I of Chapter III of the Companies Act 2013 including Rules thereon, as amended (the "Act");
   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations. 2018, as amended ("ICDR Regulations"); and
   c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Restated Financial Statements

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Statements for the purpose of inclusion in the LOF, to be filed with the Securities and Exchange Board of India ("SEBI"), the Bombay Stock Exchange Limited ("BSE" or "Stock Exchange") and the Registrar of Companies, Hyderabad, Telangana ("RoC") in connection with the proposed Rights Issue. The Restated Financial Statements have been prepared by the management of the Company on the basis of preparation as stated in Note 2 to the Restated Financial Statements.

   The responsibilities of the respective Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Statements. The respective Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, the ICDR Regulations, and the Guidance Note.

Auditor's Responsibility

3. We have examined such Restated Financial Statements taking into consideration:
   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 02nd December 2024, in connection with the proposed Rights Issue of equity shares of the Company;
   b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Statements; and
   d) The requirements of section 26 of the Act and the ICDR Regulations.

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

Restated Financial Statements

4. These Restated Financial Statements have been compiled by the management from:
   a) Limited Reviewed Unaudited Ind AS Interim Financial Statements as at and for the nine months ended 31st December2024, prepared by the Issuer in accordance with

the Indian Accounting Standards ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on 14thFebruary 2025, and

b) Audited Ind AS Financial Statements of the Company as at and for the years ended 31st March 2024, 31st March 2023, 31st March 2022,prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their Board meeting held on 29th May 2024, 17th May 2023 and 25th May 2022, respectively.

Auditor's Report

5. For the purpose of our examination, we have relied on:
   a) Limited Review Report issued by us, dated 14th February2025, on Unaudited Financial Results for the nine months ended 31st December2024 and year to date from 01st April 2024 to 31st December2024 as referred in Paragraph 4(a) above; and
   b) The Auditors' Report issued by us, dated 29th May 2024, 17th May 2023 and 25th May 2022, on the audited financial statements of the Company as at and for the year ended 31st March 2024, 31st March 2023 and 31st March 2022, respectively, as referred in paragraph 4(b) above.

6. The Auditor's reports on the financial statements for the year ended 31st March 2022 issued by us, as referred in paragraph 5(b) above, which do not require any adjustment in the Restated Summary Statements, contain the following:-

   Other Matters

   Due to continuing situation arising out of Covid-19 pandemic all books of accounts, vouchers, supportings, documents and other information necessary for audit have been received by us from management through E-mails, telephone, video and other virtual and online media. We have relied on management representation about the authenticity, accuracy and genuineness of these documents and conducted the audit accordingly.

   Our opinion is not modified in respect of these matters.

7. The Auditor's reports on the financial statements for the year ended 31stMarch 2024 issued by us, as referred in paragraph 5(b) above, which do not require any adjustment in the Restated Summary Statements, contain the following:-

The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 01st April 2023.

Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account, which have a feature of recording audit trail (edit log) facility, however the same has not operated throughout the year for all relevant transactions recorded in the respective software but only from 01st August 2023 to 31st March 2024.

i.) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account relating to Payroll, Property, Plant and Equipment and Other intangible assets.

Further, from 01st August 2023 to 31st March 2024 where audit trail (edit log) facility was enabled and operated for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.
There has been a change in management/promoter of the Company effective 21st July 2023.
Edit Log is reflecting rectifications by the management during the course of operations.

8. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Statements:

a) have been prepared after incorporating adjustments for changes in accounting policies, material errors and regrouping / reclassifications, if any, retrospectively in the respective financial years to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the year ended 31st March 2024;

b) there are no qualifications in the underlying reports on the financials statements of the Company for the year ended 31st March 2024, 31st March 2023, 31st March 2022 and for the nine months ended 31stDecember2024, which require any adjustments to the Restated Financial Statements;

c) do not require any adjustments for the matter(s) giving rise to modifications; and

d) have been prepared in accordance with the Act, the ICDR Regulations and the Guidance Note.

9. The Restated Financial Statements does not reflect the effects of events that occurred subsequent to the respective dates of the reports mentioned in paragraph 5 above.

D. S. TALWAR & CO.

CHARTERED ACCOUNTANTS

S - 58, Greater Kailash-II, New Delhi – 110048

Phone: 46109229

Email: v_dst@yahoo.co.in

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

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

12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Letter of Offer/ Letter of Offer to be filed with the SEBI, RoC, and BSE as applicable, in connection with the proposed Rights Issue of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For D.S. Talwar & Co.
Chartered Accountants
FRN: 000993N

Date: 27-Mar-2025
Place: Hyderabad
UDIN:25514698BMMMUV2863

Sd/-
Shradha Talwar
Partner

M. No. 514698

RESTATED STATEMENT OF ASSETS AND LIABILITIES

(All amounts are in ₹ lakhs, except otherwise stated)

Particulars	Note no.	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
ASSETS					
1. Financial assets					
(a) Cash and cash equivalents	3	40.38	186.08	156.87	276.38
(b) Trade receivables	4	-	-	-	188.96
(c) Investments	5	3,124.70	3,220.26	2,135.13	1,762.01
(d) Other financial assets	6	5.25	-	2.88	4.89
		3,170.33	**3,406.34**	**2,294.88**	**2,232.24**
2. Non-financial assets					
(a) Deferred tax assets (net)	7	108.73	141.63	53.31	46.66
(b) Property, plant and equipment	8	3.33	2.23	2.88	3.15
(c) Other intangible assets	9	2.95	2.95	-	0.07
(d) Other non-financial assets	10	117.83	15.98	3.93	9.39
		232.84	**162.79**	**60.12**	**59.27**
TOTAL ASSETS		**3,403.17**	**3,569.13**	**2,355.00**	**2,291.51**
LIABILITIES AND EQUITY					
Liabilities					
1. Financial liabilities					
(a) Payables					
(i) Trade payables	11				
- total outstanding dues of micro enterprises and small enterprises		-	-	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises		4.74	6.08	4.02	3.00
(b) Other financial liabilities	12	-	7.44	2.06	3.29
		4.74	**13.52**	**6.08**	**6.29**
2. Non-financial liabilities					
(a) Current tax liabilities (Net)	13	-	-	10.76	18.20
(b) Provisions	14	15.55	7.01	1.50	2.67
(c) Other non-financial liabilities	15	2.03	3.34	0.96	0.73
		17.58	**10.35**	**13.22**	**21.60**
3. Equity					
(a) Equity share capital	16	1,000.80	1,000.80	1,000.80	1,000.80
(b) Other equity	17	2,380.05	2,544.46	1,334.90	1,262.82
		3,380.85	**3,545.26**	**2,335.70**	**2,263.62**
TOTAL LIABILITIES AND EQUITY		**3,403.17**	**3,569.13**	**2,355.00**	**2,291.51**

Summary of Material Accounting Policies 2

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

As per our report of even date

For D.S. Talwar & CO.
Chartered Accountants
Firm's Registration No.: 000993N

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Sd/-
Shradha Talwar
Partner
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025

Sd/-
Subba Rao Veeravenkata Meka (Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: March 27, 2025

Sd/-
Bhavanam Ruthvik Reddy
Whole Time Director & CEO
DIN: 08372627
Place: Hyderabad
Date: March 27, 2025

Sd/-
Shashank Shankpal
Chief Financial Officer
PAN: BNKPS4919J
Place: Hyderabad
Date: March 27, 2025

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
Membership No.: A22107
Place: Hyderabad
Date: March 27, 2025

RESTATED STATEMENT OF PROFIT AND LOSS ACCOUNT

(All amounts are in ₹ lakhs, except otherwise stated)

Particulars	Note no.	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
INCOME					
Revenue from operations					
(a) Interest income	18	0.08	1.90	-	-
(b) Dividend income	19	24.40	38.05	27.98	59.10
(c) Net gain on fair value changes	20	46.02	1,463.01	106.45	480.15
Total revenue from operations		**70.50**	**1,502.95**	**134.43**	**539.25**
Other income	21	-	-	0.05	0.01
Total income		**70.50**	**1,502.95**	**134.48**	**539.26**
EXPENSES					
(a) Finance cost	22	-	10.79	-	0.99
(b) Fees and commission expenses	23	3.94	7.63	4.60	8.21
(c) Employee benefits expense	24	146.48	90.54	22.58	33.18
(d) Depreciation and amortisation expense	25	0.71	1.07	0.99	0.51
(e) Other expenses	26	50.88	33.97	25.50	25.65
Total expenses		**202.01**	**144.00**	**53.67**	**68.54**
Profit before exceptional items and tax		**(131.51)**	**1,358.95**	**80.81**	**470.72**
Exceptional items		**-**	**-**	**-**	**-**
Profit before tax and after exceptional items		**(131.51)**	**1,358.95**	**80.81**	**470.72**
Tax expenses	27				
Current tax		-	237.52	13.56	78.69
MAT Credit Entitlement		-	(237.52)	(13.56)	(46.74)
Adjustment of tax relating to earlier years		(0.06)	0.01	0.99	(2.21)
Deferred tax		32.90	149.21	7.75	56.95
		32.84	**149.22**	**8.74**	**86.69**
Profit after tax		**(164.35)**	**1,209.73**	**72.07**	**384.03**
Other comprehensive income:					
(i) Items that will not be reclassified to profit or loss in subsequent years:					
Remeasurement of post employment benefit obligations		(0.07)	(0.21)	0.01	(0.05)
(ii) Income tax relating to items that will not be reclassified to profit or loss	27	0.01	0.03	-	0.01
Other comprehensive income/ (loss) for the year, net of tax		**(0.06)**	**(0.18)**	**0.01**	**(0.04)**
Total comprehensive income for the period		**(164.41)**	**1,209.56**	**72.08**	**383.99**
Earnings per equity share	28				
Basic (in INR)		(1.64)	12.09	0.72	3.84
Diluted (in INR)		(1.64)	12.09	0.72	3.84
Summary of Material Accounting Policies	2				

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

As per our report of even date

For D.S. Talwar & CO.
Chartered Accountants
Firm's Registration No.: 000993N

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Sd/-
Shradha Talwar
Partner
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025

Sd/-
Subba Rao Veeravenkata Meka (Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: March 27, 2025

Sd/-
Bhavanam Ruthvik Reddy
Whole Time Director & CEO
DIN: 08372627
Place: Hyderabad
Date: March 27, 2025

Sd/-
Shashank Shankpal
Chief Financial Officer
PAN: BNKPS4919J
Place: Hyderabad
Date: March 27, 2025

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
Membership No.: A22107
Place: Hyderabad
Date: March 27, 2025

RESTATED STATEMENT OF CASHFLOWS

(All amounts are in ₹ lakhs, except otherwise stated)

Particulars		For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
A. Cash flows from operating activities					
Profit / (Loss) before tax		**(131.51)**	**1,358.95**	**80.81**	**470.72**
Adjustment to reconcile profit before tax to cash provided by operating activities					
Depreciation		0.71	1.07	0.99	0.51
Impairment loss on fixed assets write off		1.36	-	-	-
Change in fair value of investment		70.03	(1,360.06)	(85.15)	(131.61)
Operating profit before working capital changes		**(59.41)**	**(0.04)**	**(3.35)**	**339.62**
Adjustment for:					
(Increase)/decrease in trade receivables		-	-	188.96	(186.15)
(Increase)/decrease in other financial assets		(5.25)	2.88	2.01	(4.89)
(Increase)/decrease in other non-financial assets		(101.84)	(0.01)	(0.01)	-
Increase/(decrease) in trade payables and other		(1.34)	2.06	1.02	(1.17)
Increase/(decrease) in other financial liability		(7.44)	5.38	(1.23)	3.29
Increase/(decrease) in provisions		8.48	5.34	(1.17)	1.74
Increase/(decrease) in other non-financial liabilities		(1.31)	2.38	0.23	0.11
		(168.11)	**17.99**	**186.48**	**152.55**
Income tax (net of refunds)		0.06	(260.34)	(17.36)	(60.79)
Net cash generated from operating activities	**(A)**	**(168.05)**	**(242.35)**	**169.11**	**91.76**
B. Cash flows from investing activities					
Proceeds from sale of investment property		-	-	-	-
Proceeds from sale of property, plant & equipment		-	-	-	-
Sale of investment in subsidiary/associate		-	-	-	-
Purchase of property, plant and equipment		(3.18)	(0.42)	(0.65)	(2.66)
Purchase of intangible assets under development		-	(2.95)	-	-
(Increase)/Decrease in investment in equity instruments (net)		25.53	274.93	(287.97)	181.36
(Increase)/Decrease in investment in mutual funds (net)		-	-	-	-
Interest income		-	-	-	-
Net cash (used in)/ generated from investing activities	**(B)**	**22.35**	**271.56**	**(288.62)**	**178.70**
C. Cash flows from financing activities		-	-		
Net cash generated from financing activities	**(C)**	**-**	**-**	**-**	**-**
D. Net increase / (decrease) in cash and cash equivalents	**(A + B + C)**	**(145.70)**	**29.21**	**(119.51)**	**270.46**
Cash and cash equivalents at beginning of the year		186.08	156.87	276.38	5.92
Cash and Cash equivalents at end of the period (refer note 3)		**40.38**	**186.08**	**156.87**	**276.38**

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

As per our report of even date

For D.S. Talwar & CO.
Chartered Accountants
Firm's Registration No.: 000993N

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Sd/-
Shradha Talwar
Partner
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025

Sd/-
Subba Rao Veeravenkata Meka (Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: March 27, 2025

Sd/-
Bhavanam Ruthvik Reddy
Whole Time Director & CEO
DIN: 08372627
Place: Hyderabad
Date: March 27, 2025

Sd/-
Shashank Shankpal
Chief Financial Officer
PAN: BNKPS4919J
Place: Hyderabad
Date: March 27, 2025

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
Membership No.: A22107
Place: Hyderabad
Date: March 27, 2025

RESTATED STATEMENT OF CHANGES IN EQUITY

(All amounts are in ₹ lakhs, except otherwise stated)

A. EQUITY SHARE CAPITAL

	Note No.	Number of Shares	Amount
Issued, subscribed and fully paid equity shares of ₹ 10 each			
As at April 1, 2021	16	**1,00,07,970**	**1,000.80**
Changes in equity share capital during the year		-	-
As at March 31, 2022	16	**1,00,07,970**	**1,000.80**
Changes in equity share capital during the year		-	-
As at March 31, 2023	16	**1,00,07,970**	**1,000.80**
Changes in equity share capital during the year		-	-
As at March 31, 2024	16	**1,00,07,970**	**1,000.80**
Changes in equity share capital during the year		-	-
As at December 31, 2024	16	**1,00,07,970**	**1,000.80**

B. OTHER EQUITY*

Description	Reserves and Surplus		Total
	Statutory Reserve	Retained earnings	
As at April 1, 2021	**287.96**	**590.87**	**878.83**
Transfer to/(from) retained earnings	76.81	(76.81)	-
Profit for the year	-	384.03	384.03
Other comprehensive income	-	(0.04)	(0.04)
Total comprehensive income	**-**	**383.99**	**383.99**
As at March 31, 2022	**364.77**	**898.05**	**1,262.82**
Transfer to/(from) retained earnings	14.41	(14.41)	(0.00)
Profit for the year	-	72.07	72.07
Other comprehensive income	-	0.01	0.01
Total comprehensive income	**-**	**72.08**	**72.08**
As at March 31, 2023	**379.18**	**955.72**	**1,334.90**
Transfer to/(from) retained earnings	241.95	(241.95)	-
Profit for the year	-	1,209.73	1,209.73
Other comprehensive income	-	(0.18)	(0.18)
Total comprehensive income	**-**	**1,209.56**	**1,209.56**
As at March 31, 2024	**621.13**	**1,923.33**	**2,544.46**
Transfer to/(from) retained earnings	-	-	-
Profit for the year	-	(164.35)	(164.35)
Other comprehensive income	-	(0.06)	(0.06)
Total comprehensive income	**-**	**(164.41)**	**(164.41)**
As at December 31, 2024	**621.13**	**1,758.92**	**2,380.05**

* Refer note 17

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

As per our report of even date

For D.S. Talwar & CO.
Chartered Accountants
Firm's Registration No.: 000993N

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Sd/-
Shradha Talwar
Partner
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025

Sd/-
Subba Rao Veeravenkata Meka
(Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: March 27, 2025

Sd/-
Bhavanam Ruthvik Reddy
Whole Time Director & CEO
DIN: 08372627
Place: Hyderabad
Date: March 27, 2025

Sd/-
Shashank Shankpal
Chief Financial Officer
PAN: BNKPS4919J
Place: Hyderabad
Date: March 27, 2025

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
Membership No.: A22107
Place: Hyderabad
Date: March 27, 2025

NOTES TO THE RESTATED FINANCIAL STATEMENTS

1. Reporting entity - Background or Corporate Information

Som Datt Finance Corporation Limited (the "Company") (Present CIN: L65921TS1993PLC188494, changed from CIN: L65921DL1993PLC377542 during the year 2023-24, and changed from CIN: L65921WB1993PLC060507 during the year 2020-21), was incorporated on October 19, 1993. The Company had been granted registration under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) on November 10, 1998, having Registration No. 05.02987. The Reserve Bank of India ("RBI") issued a further Certificate dated March 29, 2005, in lieu of the earlier certificate having categorised the Company as a Non-Banking Financial Company (Non-Deposit Taking). Consequent to the shifting of the registered office of the Company from West Bengal to Delhi, RBI has issued a fresh certificate of registration bearing no. B-14.03556 dated September 23, 2021. Pursuant to the change of promoters in July 2023 and the change in registered office address of the Company from Delhi to Hyderabad, the Company has received a fresh certificate of registration from RBI bearing number N-09.00492 dated February 27, 2025. The Company is carrying on the activity of proprietary investments in stocks and securities.

2. Material Accounting Policies

This note provides a list of the material accounting policies adopted in the preparation of these restated financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation of restated financial statements

(i) Statement of Compliance

This Restated Financial Statement comprises the Restated Statement of Assets and Liabilities as on 31st December 2024, 31st March 2024, 31st March 2023, and 31st March 2022, the Restated Statement of Profit and Loss (including other comprehensive income/loss), the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the nine months period ended 31st December 2024, and for the years ended 31st March 2024, 31st March 2023, 31st March 2022 and, including the material accounting policies, notes to accounts, related party transactions, and other explanatory information (collectively, herein referred to as the "Restated Financial Statement").

Preparation of the Restated Financial Statements is based on the audited historical financial statements for the financial years ending 2021-22, 2022-23 and 2023-24, and limited reviewed unaudited interim financial information for the nine months ended 31st December 2024.

These Restated Financial Statements has been prepared for the purpose of inclusion in this Draft Letter of Offer/Letter of Offer ("LOF") prepared by the Company in connection with its proposed Rights Issue of equity shares ("Rights Issue") prepared in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act 2013 including Rules thereon, as amended (the "Act");

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

c) The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

These Restated Financial Statement have been prepared in accordance with the Indian Accounting Standard ("Ind AS"), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (the "Act"). The Ind AS are prescribed under Section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

The Company has uniformly applied the accounting policies for all the periods presented in these restated financial statements.

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

The restated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Financial instruments,
- Certain financial assets and liabilities measured at fair value (refer to accounting policy regarding financial assets and liabilities),

(ii) Functional and presentation currency

The restated financial statements are presented in Indian National Rupees (INR/₹) in lakhs unless otherwise stated.

(iii) Use of estimates and judgements

The preparation of restated financial statements to be in conformity with the Ind AS requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as on the date of the financial statements and the reported income and expenses during the reported period. Management believes that the estimates used in preparation of the restated financial statements are prudent and reasonable. Actual results could differ from these estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis.

(iv) Determination of estimated useful lives of Property, plant and equipment, Intangible assets and Investment property

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. (Refer 'Note 8 & 9').

(v) Recognition of deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, depreciation carry-forwards and tax credits. Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences and depreciation carry-forwards could be utilised.

(vi) Recognition and measurement of provisions and contingencies

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the reporting date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

(vii) Discounting of long-term financial assets/liabilities

All financial assets/liabilities are required to be measured at fair value on initial recognition. In the case of financial assets which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

(viii) Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see 'Note 29'.

2.2 Summary of material accounting policies

A. Revenue recognition

Revenue (other than for those items to which Ind AS 109 Financial Instruments are applicable) is measured at the fair value of the consideration received or receivable. The Company recognises gains/losses on fair value change of financial assets measured as Fair value through profit and loss (FVTPL) and realised gains/losses on derecognition of financial assets measured at FVTPL.

Interest income: Interest income on financial assets is recognised on an accrual basis using the effective interest rate ("EIR") method. Interest revenue is continued to be recognised at the original effective interest rate.

Dividend income: Dividend income is recognised in the Statement of Profit and Loss when the right to receive the dividend is established.

B. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Basis of Recognition
The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Further, subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value
Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of assets, based on internal assessment and independent technical evaluation done by the Management expert which is equal to, except in case of Leasehold Improvement where useful life is lower than life prescribed under Schedule II to the Companies Act, 2013. The leasehold improvements are depreciated over the assets' useful life under Schedule II or over the lease term if there is no reasonable certainty that the Company will renew ownership at the end of the lease term.

The asset's useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in profit or loss within other income expenses.

Depreciation methods and estimated useful lives of assets:

Asset Type	Estimated useful life (Years)
Plants & Machinery	10
Office equipment	5
Vehicles	8
Furniture & Fixture	10
Computers	3

Assets costing less than or equal to ₹5,000 (Rupees Five Thousand only) are fully depreciated from the date of acquisition.

C. Intangible assets

Intangible assets acquired separately are measured on initial recognition at historical cost. Intangible assets have a finite life and are subsequently carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of the carrying value of another asset.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Amortisation methods and estimated useful lives of intangible assets:

Asset Type	Estimated useful life (Years)
Computer Software	3

D. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceeds the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is an indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods that no longer exist or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

E. Employee benefits

(i) Defined Contribution Plans: The Company makes payments to defined contribution plans such as provident fund and employees' state insurance (wherever required). The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(ii) Short-term obligations: All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short-term compensated absences such as paid annual leaves which is valued by an independent actuarial valuer at the end of the year. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

(iii) Post-employment obligation: The Company operates the following post-employment schemes:

- *Defined benefit plans*

  The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.
  The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.
  Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.
  Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

- *Accumulated compensated absences*

  The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year and as may be required from time to time, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

F. Taxes

i. Current Income Tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

The current income tax is calculated on the basis of the tax rates and the tax laws enacted by the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions or make reversals of provisions made in earlier years, where appropriate, on the basis of amounts expected to be paid to / received from the tax authorities.

ii. Deferred Income Tax

Deferred tax is recognised for all the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only if it is probable that sufficient future taxable amounts will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced\increased to the extent that it is no longer probable or it becomes probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Current and deferred tax is recognised in the Statement of Profit or Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in Other Comprehensive Income or directly in Equity, respectively.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to set off current tax assets and liabilities and the deferred tax balances relate to the same taxable authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

G. Leases (Company as a lessee)

The Company's lease asset primarily consists of leases for office premises. The Company assesses whether a contract contains a lease, at the inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset, (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of the lease, and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

H. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, amount at banks and other short-term deposits with an original maturity of three months or less that are readily convertible to the known amount of cash and, which are subject to an insignificant risk of changes in value.

I. Earnings Per Share ("EPS")

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the net profit or loss for the period attributable to the equity shareholders of the Company,
- by the weighted average number of equity shares outstanding during the period, adjusted for bonus elements in equity shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

J. Financial Instruments

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

i. Financial Assets

a) Classification

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

b) Initial recognition and measurement

All financial assets are initially recognised at fair value. In case of financial assets not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance are adjusted to the fair value at initial recognition.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Purchase or sale of the unquoted instrument is recognised on the closing date or as and when the transaction is completed as per the terms mentioned in the relevant transaction agreement/document.

Regular way purchases or sales are of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

c) Business model assessment

The Company makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets is achieved and how cash flows are realised. The risks that affect the performance of the business model, the financial assets held within that business model and how those risks are managed.

d) *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. '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 of time and for other basic lending risks and costs, as well as 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 the assessment, the Company considers:

- reset terms;
- contingent events that would change the amount and timing of cash flows;
- prepayment and extension terms; and
- features that modify consideration of the time value of money – e.g., periodical reset of interest rates.

ii. Subsequent Measurement

a) *Financial assets at amortised cost*

A financial asset is measured at amortised cost only if both of the following conditions are met:

- It is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- The contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR and reported as part of interest income in the Statement of Profit and Loss account. The losses if any, arising from impairment are recognised in the Statement of Profit and Loss account.

b) *Financial asset at fair value through Other Comprehensive Income ("FVOCI")*

Financial assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI. The impairment losses, if any, are recognised through the profit and loss account. The loss allowance is recognised in other comprehensive income and does not reduce the carrying value of the financial asset. On derecognition, gains and losses accumulated in OCI are reclassified to the Statement of Profit and Loss.

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

- Any financial instrument which does not meet the criteria for categorisation as at amortised cost or as FVOCI, is classified to be measured at FVTPL.
- Financial instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit and loss account.
- All equity investments except for investments in subsidiary/associate/joint ventures are measured at fair value. Equity instruments that are held by the company are classified as at FVTPL.

iii. Financial Liabilities

All financial liabilities are subsequently measured at amortised cost.

a) *Financial Liabilities at fair value through profit or loss (FVTPL)*

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and changes therein, including any interest expense, are recognised in the Statement of Profit and Loss.

b) *Derecognition of financial assets and financial liabilities*

A **financial asset** (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset, or
- the Company has transferred substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit and Loss.

The Company derecognises **financial liability** when its contractual obligations are discharged, cancelled or expired.

K. Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

L. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments such as investment in unquoted equity instruments, debentures, preference shares etc.

The Management uses its judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market participants are applied.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

M. Provisions, Contingent liabilities and Contingent assets

A provision is recognised when the Company has a present obligation as a result of a past event and it is probable that an outflow of embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

N. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

O. Segment Reporting

The Company operates in a single business segment of "investing", with its operating results regularly reviewed by the chief operating decision maker for resource allocation and performance assessment, based on available financial information. Further, other business segments do not exceed the quantitative thresholds defined under Ind AS 108 on 'Operating Segments.' Therefore, no separate reportable segments are required as per Ind AS 108. The Company operates in a single geographical segment, i.e., domestic.

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(All amounts are in ₹ lakhs, except otherwise stated)

3	Cash and cash equivalents	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Cash in hand	-	0.04	0.88	0.49
	Imprest account	0.05	-	-	-
	Balance with banks				
	- in current accounts	40.33	186.04	155.99	275.89
		40.38	**186.08**	**156.87**	**276.38**

4	Trade receivables	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Considered good- Secured	-	-	-	-
	Considered good- Unsecured	-	-	-	188.96
		-	**-**	**-**	**188.96**

Notes relating to trade receivables:-

4.1 No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person, nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

4.2 Trade receivables include receivable from related parties amounting to ₹ Nil

4.3 **Trade receivables ageing schedule:**

As at 31-Dec-24:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-

As at 31-Mar-24:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-

As at 31-Mar-23:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-
Disputed Trade Receivables						
- considered good	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-

As at 31-Mar-22:

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables						
- considered good	188.96	-	-	-	-	**188.96**
- which have significant increase in credit risk	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	**-**
Disputed Trade Receivables						
- considered good	-	-	-	-	-	**-**
- which have significant increase in credit risk	-	-	-	-	-	**-**
- credit impaired	-	-	-	-	-	**-**

5	**Investments**	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
	Investments within India				
	At fair value through profit and loss acccount				
	- In equity instruments	3,124.70	3,220.26	2,135.13	1,762.01
		3,124.70	**3,220.26**	**2,135.13**	**1,762.01**

Notes relating to investments:-

5.1 Bifurcation of investments

Particulars	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
Quoted	3,124.70	3,220.26	2,135.13	1,762.01
Unquoted	-	-	-	-
	3,124.70	**3,220.26**	**2,135.13**	**1,762.01**

In order to undertake investment/trading positions in the cash/derivative segment, securities were kept as margin in the normal course of business by creating a pledge of securities in favour of the clearing member as per the applicable laws, and the details are given below:

	As at 31-Dec-24	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
Cost of pledged securities	-	-	-	389.05
Market value of pledged securities	-	-	-	380.07

6	**Other financial assets**	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
	Dividend receivable	-	-	2.88	4.89
	Security deposit	5.25	-	-	-
		5.25	**-**	**2.88**	**4.89**

7	**Deferred tax assets (Net)**	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
	Deferred tax asset				
	Provision for bonus	-	-	-	0.17
	Provision for gratuity disallowed u/s 40A(7)	1.47	0.99	0.21	0.53
	Provision for leave encashment disallowed u/s 43B	3.06	1.06	0.29	0.36
	Carry forward long term capital loss	9.46	7.29	8.16	16.32
	Current year business loss	15.09	-	-	-
	Depreciation and amortisation	(0.08)	0.45	0.54	0.65
	Deferred tax liability				
	Change in fair value of shares	(239.89)	(187.78)	(37.99)	(39.07)
	Unutilised tax credits (Minimum alternative tax credit)	319.62	319.62	82.10	67.70
		108.73	**141.63**	**53.31**	**46.66**

8 Property, plant and equipment

	Computers	Plant and equipments	Office equipments	Furniture and Fixtures	Total
Gross block					
As at 01-Apr-21	**-**	**0.95**	**0.11**	**0.47**	**1.53**
Additions	2.66	-	-	-	2.66
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-22	**2.66**	**0.95**	**0.11**	**0.47**	**4.19**
Additions	0.65	-	-	-	0.65
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-23	**3.31**	**0.95**	**0.11**	**0.47**	**4.84**
Additions	0.42	-	-	-	0.42
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-24	**3.73**	**0.95**	**0.11**	**0.47**	**5.26**
Additions	3.18	-	-	-	3.18
Disposal / adjustments	(2.43)	(0.95)	(0.11)	(0.47)	(3.96)
As at 31-Dec-24	**4.48**	**-**	**-**	**-**	**4.48**
Accumulated depreciation					
As at 01-Apr-21	**-**	**0.56**	**0.04**	**-**	**0.60**
Charge for the year	0.44	-	-	-	0.44
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-22	**0.44**	**0.56**	**0.04**	**-**	**1.04**
Charge for the year	0.92	-	-	-	0.92
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-23	**1.36**	**0.56**	**0.04**	**-**	**1.96**
Charge for the year	1.07	-	-	-	1.07
Disposal / adjustments	-	-	-	-	-
As at 31-Mar-24	**2.43**	**0.56**	**0.04**	**-**	**3.03**
Charge for the year	0.72	-	-	-	0.72
Disposal / adjustments	(2.00)	(0.56)	(0.04)	-	(2.60)
As at 31-Dec-24	**1.15**	**-**	**-**	**-**	**1.15**
Net block					
As at 31-Mar-22	**2.22**	**0.39**	**0.07**	**0.47**	**3.15**
As at 31-Mar-23	**1.95**	**0.39**	**0.07**	**0.47**	**2.88**
As at 31-Mar-24	**1.30**	**0.39**	**0.07**	**0.47**	**2.23**
As at 31-Dec-24	**3.33**	**-**	**-**	**-**	**3.33**

9 Other intangible assets

	Software	Total	Intangible assets under development
Gross block			
As at 01-Apr-21	0.21	0.21	-
Additions	-	-	-
Disposal / adjustments	-	-	-
As at 31-Mar-22	**0.21**	**0.21**	**-**
Additions			
Disposal / adjustments			
As at 31-Mar-23	**0.21**	**0.21**	**-**
Additions	-	-	2.95
Disposal / adjustments	-	-	-
As at 31-Mar-24	**0.21**	**0.21**	**2.95**
Additions	-	-	-
Disposal / adjustments	-	-	-
As at 31-Dec-24	**0.21**	**0.21**	**2.95**

Accumulated depreciation			
As at 01-Apr-21	0.07	0.07	-
Charge for the year	0.07	0.07	-
Disposal / adjustments	-	-	-
As at 31-Mar-22	0.14	0.14	-
Charge for the year	0.07	0.07	-
Disposal / adjustments	-	-	-
As at 31-Mar-23	0.21	0.21	-
Charge for the year	-	-	-
Disposal / adjustments	-	-	-
As at 31-Mar-24	0.21	0.21	-
Charge for the year	-	-	-
Disposal / adjustments	-	-	-
As at 31-Dec-24	0.21	0.21	-

Net block			
As at 31-Mar-22	0.07	0.07	-
As at 31-Mar-23	-	-	-
As at 31-Mar-24	-	-	2.95
As at 31-Dec-24	-	-	2.95

Note: There is no impairment loss recognised for intangible assets.

Notes relating to other intangible assets:-

9.1 Ageing of intangible assets under development

The intangible assets under development ageing schedule for the period ended as on 31-Dec-24 is as follows:

Intangible assets under development	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Projects in progress	2.95	-	-	-	2.95
(ii) Projects temporarily suspended	-	-	-	-	-

10	Other non-financial assets		As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Prepaid expenses		1.47	0.06	0.05	0.04
	Current tax assets (Net)*	(refer 10.1 below)	112.44	12.06	-	9.35
	Non Current tax assets (Net)	(refer 10.2 below)	3.87	3.87	3.88	-
	Others		0.05	-	0.01	-
			117.83	15.98	3.93	9.39
	Notes relating to other non-financial assets:-					
10.1	Break-up of Current tax assets (Net):					
	Provision for income tax		-	(237.52)	-	(83.19)
	Advance tax		110.00	245.58	-	85.00
	TDS receivable		2.44	3.99	-	7.53
			112.44	12.06	-	9.35
10.2	Break-up of Non-Current tax assets (Net):					
	Provision for income tax		(82.75)	(82.75)	(162.77)	-
	Advance tax		85.00	85.00	159.30	-
	TDS receivable		1.62	1.62	7.35	-
			3.87	3.87	3.88	-

11	Trade payables	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	4.74	6.08	4.02	3.00
		4.74	6.08	4.02	3.00

Notes relating to trade payables:

11.1 Trade payables includes payable to related parties: ₹Nil.

11.2 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006") is as under:

	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Details of dues to micro and small enterprises as per MSMED Act, 2006 the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year				
- principal amount	Nil	Nil	Nil	Nil
- interest amount	Nil	Nil	Nil	Nil
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	Nil	Nil	Nil	Nil
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	Nil	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23	Nil	Nil	Nil	Nil

11.3 Trade payables ageing schedule:

As at 31-Dec-24

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	-	-	-	-	-
Undisputed - Others	4.74	-	-	-	4.74
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As at 31-Mar-24

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	-	-	-	-	-
Undisputed - Others	6.08	-	-	-	6.08
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As at 31-Mar-23

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	-	-	-	-	-
Undisputed - Others	4.02	-	-	-	4.02
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

As at 31-Mar-22

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed - MSME	-	-	-	-	-
Undisputed - Others	3.00	-	-	-	3.00
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-

12	Other financial liabilties	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Employee related payable/others	-	7.44	2.06	3.29
		-	**7.44**	**2.06**	**3.29**

13	Current tax liabilities (Net)		As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Current tax liabilities	(refer 13.1 below)	-	-	10.76	18.20
			-	**-**	**10.76**	**18.20**
13.1	Break-up of Current tax liabilities:					
	Provision for income tax		-	-	13.56	78.69
	Advance tax		-	-	-	(54.75)
	TDS receivable		-	-	(2.80)	(5.74)
			-	**-**	**10.76**	**18.20**

14	Provisions	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Provision for gratuity (Refer note 32 (c))	5.05	3.38	0.63	1.59
	Provision for leave encashment	10.50	3.63	0.87	1.08
		15.55	**7.01**	**1.50**	**2.67**

15	Other non-financial liabilities	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Statutory dues payable	2.03	3.34	0.96	0.73
		2.03	**3.34**	**0.96**	**0.73**

16	Equity share capital	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
	Authorised share capital				
	2,00,00,000 equity shares of ₹10 each	2,000.00	2,000.00	2,000.00	2,000.00
	50,00,000 preference shares of ₹10 each	500.00	500.00	500.00	500.00
		2,500.00	**2,500.00**	**2,500.00**	**2,500.00**
	Issued, subscribed and fully paid-up share capital				
	1,00,07,970 equity shares of ₹10 each	1,000.80	1,000.80	1,000.80	1,000.80
		1,000.80	**1,000.80**	**1,000.80**	**1,000.80**

Notes relating to equity share capital:-

16.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

	31-Dec-24		31-Mar-24	
	Number	**Amount**	**Number**	**Amount**
Outstanding at the beginning of the year	1,00,07,970	1,000.80	1,00,07,970	1,000.80
Issued during the year	-	-	-	-
Outstanding at the end of the period	**1,00,07,970**	**1,000.80**	**1,00,07,970**	**1,000.80**

	31-Mar-23		31-Mar-22	
	Number	**Amount**	**Number**	**Amount**
At the beginning of the year	1,00,07,970	1,000.80	1,00,07,970	1,000.80
Issued during the year	-	-	-	-
Outstanding at the end of the period	**1,00,07,970**	**1,000.80**	**1,00,07,970**	**1,000.80**

16.2 Details of shareholders holding more than 5% equity shares in the Company

Name of the shareholder	As on 31-Dec-24			As on 31-Mar-24		
	No. of shares held	% of total shareholding	% of change in shareholding during the year	No. of shares held	% of total shareholding	% of change in shareholding during the year
Kuldip Singh Rathee	-	0.00%	0.00%	-	0.00%	-35.39%
Vijay Rathee	-	0.00%	0.00%	-	0.00%	-33.95%
Bhaskara Rao Bollineni	64,41,050	64.36%	Nil	64,41,050	64.36%	64.36%
Ruthvik Reddy Bhavanam	5,00,000	5.00%	Nil	5,00,000	5.00%	5.00%
	69,41,050	**69.36%**		**69,41,050**	**69.36%**	

Name of the shareholder	As on 31-Mar-23			As on 31-Mar-22		
	No. of shares held	% of total shareholding	% of change in shareholding during the year	No. of shares held	% of total shareholding	% of change in shareholding during the year
Kuldip Singh Rathee	35,42,191	35.39%	0.00%	35,42,191	35.39%	0.00%
Vijay Rathee	33,97,459	33.95%	0.00%	33,97,459	33.95%	0.00%
	69,39,650	**69.34%**		**69,39,650**	**69.34%**	

16.3 Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

16.4 Note on Change in the Management during the year

Please refer to 'Note 44' below for detailed note.

16.5 Details of Promoter's Shareholding

Name of shareholder	As on 31-Dec-24			As on 31-Mar-24		
	No. of shares held	% of Promoter shareholding	% of change in shareholding of Promoters during the year	No. of shares held	% of Promoter shareholding	% of change in shareholding of Promoters during the year
Mr. Kuldip Singh Rathee	-	0.00%	0.00%	-	0.00%	-51.04%
Mrs. Vijay Rathee	-	0.00%	0.00%	-	0.00%	-48.96%
Mr. Bhaskara Rao Bollineni*	64,41,050	92.80%	Nil	64,41,050	92.80%	92.80%
Mr. Ruthvik Reddy Bhavanam	5,00,000	7.20%	Nil	5,00,000	7.20%	7.20%
	69,41,050	**100.00%**		**69,41,050**	**100.00%**	

**Purchased 1,400 equity shares during the financial year ended March 31, 2024, as part of Open Offer in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

Name of shareholder	As on 31-Mar-23			As on 31-Mar-22		
	No. of shares held	% of Promoter shareholding	% of change in shareholding of Promoters during the year	No. of shares held	% of Promoter shareholding	% of change in shareholding of Promoters during the year
Mr. Kuldip Singh Rathee	35,42,191	51.04%	0.00%	35,42,191	51.04%	0.00%
Mrs. Vijay Rathee	33,97,459	48.96%	0.00%	33,97,459	48.96%	0.00%
	69,39,650	**100.00%**		**69,39,650**	**100.00%**	

17	Other equity	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
a)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934				
	Balance at the beginning of the period	621.13	379.18	364.77	287.96
	Addition during the period	-	241.95	14.41	76.81
	Balance at the end of the period	621.13	621.13	379.18	364.77
b)	Reserve & Surplus				
	Retained earnings				
	Balance at the beginning of the period	1,923.33	955.72	898.05	590.87
	Profit after tax	(164.35)	1,209.73	72.07	384.03
	Other comprehensive income	(0.06)	(0.18)	0.01	(0.04)
		1,758.92	2,165.28	970.13	974.86
	Appropriations				
	Provision for earlier periods	-	-	-	-
	Transfer to reserve fund	-	(241.95)	(14.41)	(76.81)
		-	(241.95)	(14.41)	(76.81)
	Balance at the end of the period	1,758.92	1,923.33	955.72	898.05
	Total other equity	2,380.05	2,544.46	1,334.90	1,262.82

Nature and purposes of other equity

1. Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund is created as per the terms of section 45-IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

2. Retained earnings

Retained earnings represents the surplus in profit and loss account and appropriations.

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(All amounts are in ₹ lakhs, except otherwise stated)

18	Interest income	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Interest income on FDR	0.08	1.90	-	-
		0.08	1.90	-	-

19	Dividend income	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Dividend income	24.40	38.05	27.98	59.10
		24.40	38.05	27.98	59.10

20	Net gain on fair value changes	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Net gain / (loss) on financial instruments at fair value through profit or loss				
	On trading portfolio:				
	Investments	46.02	1,463.01	105.97	479.95
	Derivatives	-	-	0.48	0.20
	Net gain on financial instruments measured on fair value	46.02	1,463.01	106.45	480.15
	Fair value changes:				
	Realised gain	116.05	102.95	21.30	348.54
	Unrealised gain / (loss)	(70.03)	1,360.06	85.15	131.61
		46.02	1,463.01	106.45	480.15

Note on net gain on fair value changes:	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Sales	333.36	462.82	597.54	1,885.06
Add: Closing stock	1,515.44	1,540.96	1,815.91	1,527.93
	1,848.80	2,003.78	2,413.45	3,412.99
Less: Opening stock	(1,540.96)	(1,815.91)	(1,527.93)	(1,709.28)
Less: Purchase	(190.65)	(83.56)	(863.18)	(1,352.47)
Profit from equity and derivative - (a)	117.19	104.31	22.34	351.24
Direct expenses relating to equity, derivatives & capital market operations:				
Securities transaction tax	0.52	0.55	0.69	2.04
Transaction charges	0.62	0.81	0.35	0.66
Total direct expenses - (b)	1.14	1.36	1.04	2.70
Realised gain from equity, derivatives & capital market operations - (a-b)	116.05	102.95	21.30	348.54
Realised gain on sale of liquid fund	-	-	-	-
Total realised gain on changes in fair value	116.05	102.95	21.30	348.54
Unrealised gain on changes in fair value of shares & liquid fund	(70.03)	1,360.06	85.15	131.61
Net gain / loss on change in fair value	46.02	1,463.01	106.45	480.15

21	Other income	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Provision for expenses written back	-	-	0.05	0.01
		-	-	0.05	0.01

22	Finance costs	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	On financial liabilities measured at amortised cost:				
	Other interest expense				
	- Interest on statutory dues	-	10.79	-	0.10
	- Others	-	-	-	0.89
		-	10.79	-	0.99

23	Fees and commission expense	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Listing fee	2.88	4.43	3.54	7.14
	Depository charges	1.06	3.20	1.06	1.07
		3.94	7.63	4.60	8.21

24	Employee benefits expense	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Salaries, wages and bonus	137.00	82.56	21.17	29.85
	Contribution to provident and other funds	0.78	0.70	0.63	0.94
	Gratuity (refer note 31C)	1.59	3.52	0.12	1.05
	Staff welfare expenses	0.23	0.02	0.21	0.67
	Compensated absences	6.88	3.74	0.45	0.67
		146.48	90.54	22.58	33.18

25	Depreciation and amortization expense	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Depreciation of property, plant and equipment	0.71	1.07	0.92	0.44
	Amortisation of intangible assets	-	-	0.07	0.07
		0.71	1.07	0.99	0.51

26	Other expenses	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Rent expenses	8.23	1.20	1.20	0.78
	Repair and maintenance	2.46	0.15	0.10	0.09
	Advertisement expenses	1.09	1.96	1.11	1.30
	Travelling and conveyance	1.13	0.99	0.26	0.54
	Communication expenses	0.47	0.02	0.08	1.62
	Printing and stationery	0.47	0.08	0.10	1.23
	Legal and professional expenses	24.95	21.45	12.81	12.06
	Rates, fees & taxes	0.84	0.07	0.09	1.26
	Impairment loss on fixed assets write off	1.36	-	-	-
	Payment to auditor (Refer note 26.1)	4.13	5.80	3.87	3.42
	TDS receviable written-off	-	0.06	5.42	-
	IT & software subscription expenses	4.76	-	-	-
	AGM Expenses	0.48	-	-	-
	Membership Fees	0.14	-	-	-
	Miscellaneous expenses	0.37	2.19	0.46	3.35
		50.88	33.97	25.50	25.65

26.1	Payment to auditor	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Audit fee	3.50	3.30	3.00	2.75
	Fees for other certifications	-	1.64	0.40	0.25
	GST collected on above services	0.63	0.86	0.47	0.42
		4.13	5.80	3.87	3.42

27	Tax expenses	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
	Income tax expense:				
	Current tax				
	Current tax on profits for the year	-	237.52	13.56	78.69
	MAT credit entitlement	-	(237.52)	(13.56)	(46.74)
		-	**-**	**-**	**31.95**
	Tax provision for earlier years				
	Adjustment of tax relating to earlier years	(0.06)	0.01	0.99	(2.21)
		(0.06)	**0.01**	**0.99**	**(2.21)**
	Deferred tax				
	Deferred tax charged during the year	32.90	149.21	7.75	56.95
		32.90	**149.21**	**7.75**	**56.95**
	Total tax expenses	**32.84**	**149.22**	**8.74**	**86.69**

27.1	Tax on other comprehensive income				
	Remeasurement of post employment benefit obligations	(0.07)	(0.21)	0.01	(0.05)
	Income tax relating to items that will not be reclassified to profit or loss	0.01	0.03	-	0.01
		(0.07)	**(0.21)**	**0.01**	**(0.05)**

27.2 Reconciliation of effective tax rate:

Reconciliation of tax expense to the accounting profit/ (loss) multiplied by India's domestic tax rate is as follows:

Particulars	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
(a) Accounting profit	(131.51)	1,358.95	80.81	470.72
(b) Minimum Alternative Tax rate (%)	17.47%	17.47%	15.60%	16.69%
(c) Tax on accounting profit at above rate (a x b)	**-**	**237.43**	**12.61**	**78.58**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
(d) Tax effect on adjustments under section 115JB:				
i. Adjustments under section 115JB(2A)	(0.01)	(0.03)	0.84	(0.01)
ii. Adjustments under section 115JB(2C)	-	0.12	0.11	0.11
(e) Tax provision for earlier years	(0.06)	0.01	0.99	(2.21)
(f) Deferred tax expenses	32.90	149.21	7.75	56.95
(g) MAT Credit Entitlement during the year	-	(237.52)	(13.56)	(46.74)
(h) Total tax adjustments (d + e + f + g)	**32.84**	**(88.21)**	**(3.87)**	**8.11**
Total income tax expense recognised in the statement of Profit and loss (c + h)	**32.84**	**149.22**	**8.74**	**86.69**

28 Earnings per equity share

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

Diluted EPS is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Weighted average number of shares used in basic earnings per share	1,00,07,970	1,00,07,970	1,00,07,970	1,00,07,970
Weighted average number of shares used in diluted earnings per share	1,00,07,970	1,00,07,970	1,00,07,970	1,00,07,970

The numerators and denominators used to calculate the basic and diluted EPS are as follows:	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Profit attributable to equity holders of the Company (₹ lakhs)	(164.35)	1,209.73	72.07	384.03
Weighted average number of equity shares of basic earning per share (number)	1,00,07,970	1,00,07,970	1,00,07,970	1,00,07,970
Weighted average number of equity shares diluted earning per share (number)	1,00,07,970	1,00,07,970	1,00,07,970	1,00,07,970
Nominal value per equity shares (₹)	10	10	10	10
Basic earning per share (in absolute ₹)	(1.64)	12.09	0.72	3.84
Diluted earning per share (in absolute ₹)	(1.64)	12.09	0.72	3.84

(All amounts are in ₹ lakhs, except otherwise stated)

29 Financial instruments - Fair values measurement and risk management

29.1 Fair values measurement

29.1.1 Financial instruments - by category

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

	As at 31-Dec-24			As at 31-Mar-24		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	40.38	-	-	186.08
Trade receivables	-	-	-	-	-	-
Investments	3,124.70	-	-	3,220.26	-	-
Other financial assets	-	-	5.25	-	-	-
Total financial assets	**3,124.70**	**-**	**45.63**	**3,220.26**	**-**	**186.08**
Financial liabilities						
Payables	-	-	4.74	-	-	6.08
Other financial liabilities	-	-	-	-	-	7.44
Total financial liabilities	**-**	**-**	**4.74**	**-**	**-**	**13.52**

	As at 31-Mar-23			As at 31-Mar-22		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Cash and cash equivalents	-	-	156.87	-	-	276.38
Trade receivables	-	-	-	-	-	188.96
Investments	2,135.13	-	-	1,762.01	-	-
Other financial assets	-	-	2.88	-	-	4.89
Total financial assets	**2,135.13**	**-**	**159.75**	**1,762.01**	**-**	**470.23**
Financial liabilities						
Payables	-	-	4.02	-	-	3.00
Other financial liabilities	-	-	2.06	-	-	3.29
Total financial liabilities	**-**	**-**	**6.08**	**-**	**-**	**6.29**

29.1.2 The carrying amounts of trade receivables, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

29.2 Fair value hierarchy - Financial assets and liabilities measured at fair value

29.2.1

As at 31-Dec-24	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Fair value through profit and loss					
Investments held under FVTPL	5	3,124.70	-	-	**3,124.70**
Total		**3,124.70**	**-**	**-**	**3,124.70**
Financial liabilities		**-**	**-**	**-**	-
Total		**-**	**-**	**-**	**-**

As at 31-Mar-24	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Fair value through profit and loss					
Investments held under FVTPL	5	3,220.26	-	-	**3,220.26**
Total		**3,220.26**	**-**	**-**	**3,220.26**
Financial liabilities		**-**	**-**	**-**	-
Total		**-**	**-**	**-**	**-**

As at 31-Mar-23	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Fair value through profit and loss					
Investments held under FVTPL	5	2,135.13	-	-	**2,135.13**
Total		**2,135.13**	**-**	**-**	**2,135.13**
Financial liabilities		**-**	**-**	**-**	-
Total		**-**	**-**	**-**	**-**

As at 31-Mar-22	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Fair value through profit and loss					
Investments held under FVTPL	5	1,762.01	-	-	**1,762.01**
Total		**1,762.01**	**-**	**-**	**1,762.01**
Financial liabilities		**-**	**-**	**-**	-
Total		**-**	**-**	**-**	**-**

29.2.2 Fair value of instruments measured at amortised cost

The carrying amounts of cash and cash equivalents, trade receivables, trade payable and other financial liabilities are considered to be the same as their fair values, due to their short-term nature. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

29.3 Measurement of fair values

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial instruments measured at fair value

	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Investment in equity instruments (Classified as Level 1)	The equity instruments have been fair valued based on prices that are quoted on active markets for equity shares as on the last trading day of the quarter/financial year, as the case may be.	Not Applicable	Not Applicable

29.4 Financial risk management

The Company has exposure to the following risks arising from financial instruments:
- Credit risk;
- Liquidity risk;
- Market risk - Foreign exchange; and
- Market risk - Interest rate

Risk management framework

The Company's Board of Directors holds overall responsibility for establishing the risk management framework and, through its Audit Committee, oversees its implementation. The Board has authorised senior management to establish the necessary processes, ensuring that executive management effectively controls risks through a well-defined framework. The Audit Committee is supported in its oversight role by an independent chartered accountant firm conducting internal audits. The internal auditor undertakes regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

29.4.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances. The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet are as follows:

Financial assets that expose the Company to credit risk

	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
Financial assets				
Cash and cash equivalents	40.38	186.08	156.87	276.38
Trade receivables	-	-	-	188.96
Investments	3,124.70	3,220.26	2,135.13	1,762.01
Other financial assets	5.25	-	2.88	4.89
Total financial assets	3,170.33	3,406.34	2,294.88	2,232.24

• Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables, etc.

• The Company's exposure to credit risk primarily arises from investments classified under financial assets. As the Company is currently engaged in trading listed shares and securities, it is exposed to risks such as potential defaults, adverse financial or operational performance, or downgrades of the investee companies. The Company mitigates this risk through diversification and regular monitoring of its investments.

• Trade receivables are measured at amortised cost and credit risk related to these are managed by monitoring the recoverability of such amounts continuously. As at the reporting dates of last two years, the trade receviables are Nil.

(a) Expected credit loss for investment carried at amortised cost and other financial assets

As at 31-Dec-24:

Asset group	Estimated gross carrying amount of default	Expected probablity of default	Expected credit loss	Carrying amount net of impairment provision
Cash and cash equivalents	40.38	0%	-	40.38
Trade receivable	-	0%	-	-
Investments	3,124.70	0%	-	3,124.70
Other financial assets	5.25	0%	-	5.25

As at 31-Mar-24:

Asset group	Estimated gross carrying amount of default	Expected probablity of default	Expected credit loss	Carrying amount net of impairment provision
Cash and cash equivalents	186.08	0%	-	186.08
Trade receivable	-	0%	-	-
Investments	3,220.26	0%	-	3,220.26
Other financial assets	-	0%	-	-

As at 31-Mar-23:

Asset group	Estimated gross carrying amount of default	Expected probablity of default	Expected credit loss	Carrying amount net of impairment provision
Cash and cash equivalents	156.87	0%	-	156.87
Trade receivable	-	0%	-	-
Investments	2,135.13	0%	-	2,135.13
Other financial assets	2.88	0%	-	2.88

As at 31-Mar-22:

Asset group	Estimated gross carrying amount of default	Expected probablity of default	Expected credit loss	Carrying amount net of impairment provision
Cash and cash equivalents	276.38	0%	-	276.38
Trade receivable	188.96	0%	-	188.96
Investments	1,762.01	0%	-	1,762.01
Other financial assets	4.89	0%	-	4.89

(b) Expected credit loss for trade receivables under simplified approach

The Company's exposure to credit risk for trade receivables is as follows:

Particulars	Gross carrying amount			
	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Trade receivables	-	-	-	188.96
Less: Expected credit losses (Loss allowance provision)	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	-	-	188.96

29.4.2 Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per requirements. The Company consistently generated sufficient cash flows from operations to meet its financial obligations as and when they fall due.

(a) Maturities of financial liabilities

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

As at 31-Dec-24:

Particulars	Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
Trade payables	4.74	4.74	4.74	-	-	-	-
Total	4.74	4.74	4.74	-	-	-	-

As at 31-Mar-24:

Particulars	Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
Trade payables	6.08	6.08	6.08	-	-	-	-
Total	6.08	6.08	6.08	-	-	-	-

As at 31-Mar-23:

Particulars	Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
Trade payables	4.02	4.02	4.02	-	-	-	-
Total	4.02	4.02	4.02	-	-	-	-

As at 31-Mar-22:

Particulars	Carrying amount	Total	Less than 6 months	6 to 12 months	1 to 3 years	3 to 5 years	More than 5 years
Trade payables	3.00	3.00	3.00	-	-	-	-
Total	3.00	3.00	3.00	-	-	-	-

(b) The table below shows an analysis of assets and liabilities analysed (maturity analysis) according to when they are to be recovered or settled:

	As at 31-Dec-24			As at 31-Mar-24		
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	40.38	-	40.38	186.08	-	186.08
(b) Receivables						
- Trade receivables	-	-	-	-	-	-
(c) Investments	-	3,124.70	3,124.70	-	3,220.26	3,220.26
(d) Other financial assets	5.25	-	5.25	-	-	-
Non-financial assets						
(a) Current tax assets (Net)	112.44	-	112.44	12.06	-	12.06
(b) Non Current tax assets (Net)	3.87	-	3.87	3.87	-	3.87
(c) Deferred tax assets (Net)	-	108.73	108.73	-	141.63	141.63
(d) Property, plant and equipment	-	3.33	3.33	-	2.23	2.23
(e) Other intangible assets	2.95	-	2.95	-	2.95	2.95
(f) Other non-financial assets	1.52	-	1.52	0.06	-	0.06
	166.41	3,236.76	3,403.17	202.06	3,367.07	3,569.13

	As at 31-Mar-23			As at 31-Mar-22		
Particulars	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
(a) Cash and cash equivalents	156.87	-	156.87	276.38	-	276.38
(b) Receivables						
- Trade receivables	-	-	-	188.96	-	188.96
(c) Investments	-	2,135.13	2,135.13	-	1,762.01	1,762.01
(d) Other financial assets	2.88	-	2.88	4.89	-	4.89
Non-financial assets						
(a) Current tax assets (Net)	-	-	-	-	9.35	9.35
(b) Non Current tax assets (Net)	-	3.88	3.88	-	-	-
(c) Deferred tax assets (Net)	-	53.31	53.31	-	46.66	46.66
(d) Property, plant and equipment	-	2.88	2.88	-	3.15	3.15
(e) Other intangible asssets	-	-	-	-	0.07	0.07
(f) Other non-financial assets	0.05	-	0.05	0.04	-	0.04
	159.80	2,195.20	2,355.00	470.27	1,821.24	2,291.51

Particulars	As at 31-Dec-24 Within 12 months	As at 31-Dec-24 After 12 months	As at 31-Dec-24 Total	As at 31-Mar-24 Within 12 months	As at 31-Mar-24 After 12 months	As at 31-Mar-24 Total
LIABILITIES						
Financial liabilities						
(a) Payables						
(i) Trade payables	4.74	-	4.74	6.08	-	6.08
(ii) Other financial liabilities	-	-	-	7.44	-	7.44
Non-financial liabilities						
(a) Current tax liabilities (Net)	-	-	-	-	-	-
(b) Provisions	0.24	15.31	15.55	0.11	6.90	7.01
(c) Other non-financial liabilities	2.03	-	2.03	3.34	-	3.34
	7.01	15.31	22.32	16.97	6.90	23.87

Particulars	As at 31-Mar-23 Within 12 months	As at 31-Mar-23 After 12 months	As at 31-Mar-23 Total	As at 31-Mar-22 Within 12 months	As at 31-Mar-22 After 12 months	As at 31-Mar-22 Total
LIABILITIES						
Financial liabilities						
(a) Payables						
- Trade payables	4.02	-	4.02	3.00	-	3.00
(ii) Other financial liabilities	2.06	-	2.06	3.29	-	3.29
Non-financial liabilities						
(a) Current tax liabilities (Net)	10.76	-	10.76	18.20		18.20
(b) Provisions	0.29	1.21	1.50	0.32	2.35	2.67
(c) Other non-financial liabilities	0.96	-	0.96	0.73	-	0.73
	18.09	1.21	19.30	25.54	2.35	27.89

29.4.3 Market risk

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is exposed to two types of market risks viz., price risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(a) Price risk

Equity price risk is the risk that the fair value of equities decreases as the result of changes in level of equity indices and individual stocks. The trading equity price risk exposure arises from equity securities classified at "FVTPL". A 10% increase/(decrease) in the equity price (traded) would have the impact as follows:

Particulars	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Investment in quoted investments	3,124.70	3,220.26	2,135.13	1,762.01
Impact due to increase in price by 10%	312.47	322.03	213.51	176.20
Impact due to decrease in price by 10%	(312.47)	(322.03)	(213.51)	(176.20)

(b) Interest rate risk

The Company invests in the fixed deposits with banks having high credit ratings assigned by the domestic credit rating agencies.

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(All amounts are in ₹ lakhs, except otherwise stated)

30 Related party disclosures

Disclosure of related parties/related party transactions pursuant to Ind AS 24 “Related Party Disclosures”.

A Name of the related parties and nature of the related party relationship:

(i) Key management personnel

Past relationships:

Name	Designation	Up to
Mr. Ankit Yadav	Chief Financial Officer	16-Jun-22
Mr. Sandip Kumar Chaubey	Company Secretary	18-Aug-22
Mr. Anshuman Singh Tomar	Company Secretary	14-Dec-22
Mr. Kuldip Singh Rathee	Non-Executive Director	21-Jul-23
Mrs. Vijay Rathee	Managing Director	21-Jul-23
Mrs. Simran Malhotra	Company Secretary	22-Jul-23
Mr. Vishal Vijay Mandavgade	Chief Financial Officer	05-Jan-24
Mr. Hardeep Kumar Mahotra	Independent Director	30-Apr-24

Existing relationships:

Name	Designation	W.e.f.
Mr. Rajvir Singh Chhillar	Independent Director	27-Dec-19
Mr. (Dr.) Bhaskara Rao Bollineni	Chairman (Non-executive Director)	21-Jul-23
Mr. Subba Rao Veeravenkata Meka	Managing Director	21-Jul-23
Mr. Bhavanam Ruthvik Reddy	Executive Director & Chief Executive Officer	21-Jul-23
Ms. Neha Agarwal	Company Secretary & Compliance Officer	01-Aug-23
Mrs. Jayanthi Talluri	Independent Director	12-Sep-23
Mr. Shashank Shankpal	Chief Financial Officer	05-Apr-24
Mr. Venkataramana Dhulipala	Independent Director	25-Sep-24

(ii) Enterprise in which the director of the Company and their relatives are able to exercise significant influence

Up to July 21, 2023:

ASK Automotive Limited	Aadhunik Agrotech Private Limited
ASK Automobiles Private Limited	KSR Reality Private Limited
AA Friction Materials Private Limited	Vijaylaxmi Farms Private Limited
KVP Hotels & Resorts Private Limited	Vijaylaxmi Infrabuild Private Limited
Planet Agro Farms Private Limited	KSR Landholding Projects Private Limited
Vijaylaxmi Fincap Private Limited	L.Y. Developers Private Limited
Fresh Air Farms Private Limited	Vijaylaxmi Infra Projects Private Limited
ASK Fras-le Friction Private Limited	AHSAAS Trust
Aadhunik Realty Private Limited	A.P. Automotives Private Limited

W.e.f. July 21, 2023:

Krishna Institute of Medical Sciences Limited	Shangrilla Infracon India Private Limited
KIMS Hospitals Private Limited	BVR Projects Private Limited
KIMS Swastha Private Limited	Sarvejana Healthcare Private Limited
KIMS Hospital Bengaluru Private Limited	Tiffinease Foods Private Limited
Bluebridge Capital Private Limited	Rx Foods (OPC) Private Limited
Doc Tutorials Edutech Private Limited	Ottoman Foods Ltd. (up to April 30, 2024)
BRS Medical Association	Ottoman Tubes Pvt. Ltd. (up to April 30, 2024)
SPANV Medisearch Lifesciences Private Limited	Haryana State Roads and Bridges Corporation Ltd. (up to April 30, 2024)
Prakara Learning Private Limited	Ottoman Industries Pvt. Ltd. (up to April 30, 2024)

W.e.f. September 12, 2023:

International Conveyors Limited (Independent Director)
Refex Renewables & Infrastructure Limited (Independent Director)
Talluri Law Consultancy (OPC) Private Limited
Talluri's Kitchen Temple Private Limited

B Particulars of transactions during the year with related parties:

Transaction with	Nature of transaction	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Mr. Rajvir Singh Chhillar	Sitting fees	2.40	3.30	2.50	2.15
Mr. Hardeep Kumar Mahotra	Sitting fees	-	3.60	2.50	2.15
Mrs. Jayanthi Talluri	Sitting fees	1.80	0.90	-	-
Mr. Venkataramana Dhulipala	Sitting fees	1.20	-	-	-
Mrs. Vijay Rathee	Remuneration	-	2.73	7.43	7.01
Mr. Subba Rao Veeravenkata Meka	Remuneration	48.00	27.04	-	-
Mr. Bhavanam Ruthvik Reddy	Remuneration	20.05	11.27	-	-
Mr. Sandip Kumar Chaubey	Remuneration	-	-	2.93	5.64
Mr. Ankit Yadav	Remuneration	-	-	2.33	7.89
Mr. Anshuman Singh Tomar	Remuneration	-	-	1.12	-
Mrs. Simran Malhotra	Remuneration	-	1.38	0.65	-
Mr. Vishal Vijay Mandavgade	Remuneration	-	5.62	-	-
Ms. Neha Agarwal	Remuneration	13.73	8.61	-	-
Mr. Shashank Shankpal	Remuneration	35.00	-	-	-

C Balances outstanding at year end:

Balances with	Nature	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
Mrs. Vijay Rathee	Remuneration payable	-	-	1.13	0.57
Mr. Sandip Kumar Chaubey	Remuneration payable	-	-	-	0.44
Mr. Ankit Yadav	Remuneration payable	-	-	-	0.58
Mrs. Simran Malhotra	Remuneration payable	-	-	0.37	-
Mr. Subba Rao Veeravenkata Meka	Remuneration payable	-	4.80	-	-
Mr. Bhavanam Ruthvik Reddy	Remuneration payable	-	2.05	-	-
Ms. Neha Agarwal	Remuneration payable	-	1.23	-	-

Note: The provision for gratuity and compensated absences is made on the basis of actuarial valuation for all the employees of the Company including for the managerial personnel. Proportionate amount of gratuity and compensated absences is not included in the above disclosure since the exact amount is not ascertainable.

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31 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company.

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

32 Employee benefits plan

(a) Provident fund

Provident fund benefit is a defined contribution plan under which the Company pays fixed contributions into funds established under Employees Provident Fund and Miscellaneous Provisions Act, 1952. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognised in respect of defined contribution plans are expensed as and when they accrue. Liabilities and assets may be recognised if underpayment or prepayment has occurred and are included in current liabilities or current assets, respectively, as they are normally of a short term nature.

(b) Compensated absence

The Company provides for liability of accumulated compensated absences for eligible employees on the basis of an independent actuarial valuation carried out at the end of the year and as may be required from time to time, using the projected unit credit method. Actuarial gains and losses are recognised in the Statement of Profit and Loss for the period in which they occur.

(c) Gratuity

Gratuity liability is defined benefit obligation and is provided for on the basis of an actuarial valuation on Project Unit Credit Method as per Ind AS 19 made at the end of each financial year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

Changes in the defined benefit obligation and fair value of plan assets as at reporting period given below:

	Defined benefit obligation	Fair value of plan assets	Benefit liability
As at April 1, 2021	**0.49**	**-**	**0.49**
Current service cost	1.02	-	1.02
Interest cost	0.03	-	0.03
Total amount recognised in statement of profit and loss	**1.05**	**-**	**1.05**
Total amount recognised in other comprehensive income	0.05	-	0.05
Less: Benefits Paid	-	-	-
As at March 31, 2022	**1.59**	**-**	**1.59**
Current service cost	0.01	-	0.01
Interest cost	0.11	-	0.11
Total amount recognised in statement of profit and loss	**0.11**	**-**	**0.11**
Total amount recognised in other comprehensive income	0.01	-	0.01
Less: Benefits Paid	(1.07)	-	(1.07)
As at March 31, 2023	**0.63**	**-**	**0.63**
Current service cost	3.48	-	3.48
Interest cost	0.05	-	0.05
Total amount recognised in statement of profit and loss	**3.53**	**-**	**3.53**
Total amount recognised in other comprehensive income	0.21	-	0.21
Less: Benefits Paid	(0.98)	-	(0.98)
As at March 31, 2024	**3.38**	**-**	**3.38**
Current service cost	1.41	-	1.41
Interest cost	0.18	-	0.18
Total amount recognised in statement of profit and loss	**1.59**	**-**	**1.59**
Total amount recognised in other comprehensive income	0.08	-	0.08
Less: Benefits Paid	-	-	-
As at December 31, 2024	**5.05**	**-**	**5.05**

Since the gratuity plan is unfunded, investment pattern and information related to fair value of plan assets is not being provided.

Expense recognised in statement of profit and loss

Description	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Current service cost	1.41	3.48	0.01	1.02
Interest cost	0.18	0.05	0.11	0.03
Total amount recognised in statement of profit and loss	1.59	3.53	0.11	1.05

Amount recognised as other comprehensive income (OCI)

Description	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Actuarial (gains) / losses due to adjustments	0.08	0.21	0.01	0.05
Total amount recognised as OCI	0.08	0.21	0.01	0.05

The principal assumptions used in determining gratuity obligations for the Company's plan is shown below:

Description	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Discount rate (per annum)	7.05%	7.15%	7.35%	7.10%
Salary growth rate (per annum)	9.00%	9.00%	9.40%	9.40%
Mortality rates inclusive of provision for disability	100% of IALM 2012-14	100% of IALM 2012-14	100% of IALM (2012-14)	100% of IALM (2012-14)
Retirement age	70 years for Mr. Subba Rao Veeravenkata Meka, 58 years for other employees	70 years for Mr. Subba Rao Veeravenkata Meka, 58 years for other employees	75 years for Vijay Rathee 58 years for other employees	58 years
Attrition / Withdrawal rate, based on age:				
Upto 30 years	3.00%	3.00%	3.00%	3.00%
31-44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Defined Benefit Obligation (Base)	31-Dec-24		31-Mar-24	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	5.91	4.35	3.93	2.94
(% change compared to base due to sensitivity)	17.1%	-13.9%	16.2%	-13.1%
Salary growth rate (- / + 1%)	4.35	5.88	2.94	3.92
(% change compared to base due to sensitivity)	-13.8%	16.6%	-13.0%	15.8%
Attrition rates (- / + 50% of attrition rates)	5.28	4.83	3.55	3.22
(% change compared to base due to sensitivity)	4.6%	-4.3%	5.1%	-4.7%
Mortality rates (- / + 10% of mortality rates)	5.05	5.04	3.38	3.38
(% change compared to base due to sensitivity)	0.1%	-0.1%	0.1%	0.0%

Defined Benefit Obligation (Base)	31-Mar-23		31-Mar-22	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	0.66	0.60	1.96	1.30
(% change compared to base due to sensitivity)	5.3%	-5.0%	23.1%	-18.2%
Salary growth rate (- / + 1%)	0.60	0.66	1.30	1.95
(% change compared to base due to sensitivity)	-4.9%	5.2%	-18.0%	22.4%
Attrition rates (- / + 50% of attrition rates)	0.63	0.63	1.70	1.49
(% change compared to base due to sensitivity)	0.6%	-0.6%	6.8%	-6.2%
Mortality rates (- / + 10% of mortality rates)	0.63	0.63	1.59	1.59
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

Description	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Within the next 12 months (next annual reporting period)	0.03	0.03	0.02	0.01
Between 2 and 5 years	0.30	0.21	0.12	0.07
Between 6 and 10 years	2.40	2.17	0.80	0.17
Beyond 10 years	15.77	10.22	-	7.82
Total expected payments	18.50	12.62	0.94	8.07

33 Lease (Company as a lessee)

The Company's registered office is on a lease term of 11 months, as per the lease agreement. In accordance with the short-term lease exemption under Ind AS 116 (Leases), the Company has not recognised a right-of-use asset or lease liability for this arrangement, as the lease term is less than 12 months.

Set out below are the total lease expense recognised in the Statement of Profit and Loss for short-term leases:

Particulars	31-Dec-24	31-Mar-24	31-Mar-23	31-Mar-22
Expenses relating to short-term leases	8.23	1.20	1.20	0.78

34 Segment reporting

The Company operates in a single reportable segment i.e., investing. Since the nature of the investments are exposed to similar risk and return profiles hence they are collectively operating under a single segment. The Company operates in a single geographical segment i.e., domestic.

35 Transferred financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

36 Contingent liabilities and commitments

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

Contingent Liabilities

S. No.	Particulars	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
a.	Claims against the Company not acknowledged as debt	-	-	3.00 (After absorption of refund claimed ₹3.87 lakh reflected as an asset in the Balance Sheet)	-
b.	Guarantees	-	-	-	-
c.	Other money for which company is contingently liable	-	-	-	-

Commitments

S. No.	Particulars	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
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.	Other commitments	-	-	-	-

37 New effective or amended standards

Ministry of Corporate Affairs (“MCA”) notified new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

a) Ind AS 1 - Presentation of Financial Statements

This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

b) Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

This amendment has introduced a definition of ‘accounting estimates’ and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

c) Ind AS 12 - Income Taxes

This amendment has narrowed the scope of the initial recognition exemption ("IRE") so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

38 Implementation of Audit Trail

As per Companies (Accounts) Second Amendment Rules, 2021 through MCA notification dated March 24, 2021, a new proviso has been added in Rules 3(1) of The Companies (Accounts) Rules, 2014, which states that:

"Provided that for the financial year commencing on or after the 01st day of April, 2021, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of:

a. recording an audit trail of each and every transaction;

b. creating an edit log of each change made in books of account along with the date when such changes were made; and

c. ensuring that the audit trail cannot be disabled."

By MCA notification dated April 01, 2021, a substitution was made in proviso to sub-rule (1), for the figures, letters and words "01st day of April, 2021" the following has been substituted "01st day of April, 2022". Further by MCA notification dated March 31, 2022, another substitution was made in proviso to sub-rule (1), for the figures, letters and words "01st day of April, 2022" the following has been substituted "01st day of April, 2023".

By this notification(s) it has been made mandatory from April 01, 2023 for every company to add on the feature of audit trail in their accounting software in which it maintains its books of account. The feature of Audit trail should have an edit log which shall record each and every transaction along with modifications made at any point of time. The Company complies with this.

The Company has used accounting software with an audit trail (edit log) feature, except for the instances mentioned below, to maintain its books of accounts from August 1, 2023, to March 31, 2024:

i. The audit trail (edit log) feature was not enabled at the database level for logging direct data changes in the software used for maintaining the books of accounts related to payrolls, property, plant and equipment, and other intangible assets.

Further, from August 01, 2023 to March 31, 2024 where audit trail (edit log) facility was enabled and operated for the respective accounting software, there is no instance of the audit trail feature being tampered with.

There has been a change in management/promoter of the Company effective July 21, 2023.

Edit Log is reflecting rectifications by the management during the course of operations.

In compliance with regulatory requirements, the Company has implemented an audit trail mechanism to maintain a complete and tamper-proof record of all transactions and modifications in the accounting system. The audit trail logs are systematically recorded and retained for a period of eight years, as prescribed, ensuring transparency and accountability in financial reporting.

39 Revenue Recognition

The Company has recognised following amounts relating revenue in the Statement of Profit and Loss:

Particulars	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Interest income	0.08	1.90	-	-
Dividend income	24.40	38.05	27.98	59.10
Net gain on fair value changes	46.02	1,463.01	106.45	480.15
Other income	-	-	0.05	0.01
Total income	70.50	1,502.95	134.48	539.26

Disaggregation of revenue from contracts with customers:

In the following table, revenue is disaggregated by primary geographical market:

Particulars	For the nine-months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Within India	70.50	1,502.95	134.48	539.26
Outside India	-	-	-	-
Total income	70.50	1,502.95	134.48	539.26

Contract Balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	As at 31-Dec-24	As at 31-Mar-24	As at 31-Mar-23	As at 31-Mar-22
Receivables	-	-	-	188.96

40 Additional Regulatory and Other Information

i) The Company does not hold any Immovable Property in the name of the Company.

ii) The Company has not done any revaluation of Immovable Property.

iii) The Company has not given any Loans or Advances in the nature of loans are granted to promoters, Directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person.

iv) The Company does not have any Capital Work-in-Progress.

v) The Company does not hold any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and no proceeding have been initiated or pending the company under the said Act.

vi) Our Company is an NBFC-ND with asset size less than ₹500 crore and pursuant to RBI circular dated November 04, 2014 RBI/2014-15/299 DNBR(PD) CC. No. 002/03.10.001/2014-15 the Company is exempted from the requirement of maintaining CRAR.

vii) Liquidity Coverage Ratio (LCR) is not applicable to the Company since the Company is Type 1 NBFC pursuant to circular dated November 04, 2019, RBI/2019-20/88 DOR.NBFC(PD) CC.No.102/03.10.001/2019-20.

viii) The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ix) Unhedged foreign currency exposure of the Company for the reporting period: Nil.

x) The Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

xi) The Company has not traded or invested in Crypto currency or Virtual currency during the reporting period.

xii) The Company did not have any transactions which had not been recorded in the books of accounts that had been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

xiii) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the reporting period. Also, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the reporting period.

xiv) There has been no fraud by the Company or against the Company during the reporting period. Also, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

xv) Transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xvi) The Company has not entered into non-cash transactions with Directors or persons connected with him as restricted in section 192 of Companies Act, 2013.

xvii) The Company has no pending litigations that would impact the financial position of the financial statements.

xviii) The accounts have been prepared on the assumption that the Company is a going concern.

xix) The Company does not have any subsidiaries and thus complies with the restriction on the number of layers as prescribed under clause (87) of section 2 of the Companies Act, 2013.

xx) The Company does not meet any of the criteria specified under Section 135(1) of the Companies Act, 2013, for the period under reporting. Hence, the provisions of Corporate Social Responsibility (CSR) are not applicable for the reporting period.

41 Borrowings

a) The Company has not borrowed in any form (including term loans) from any banks or financial institutions during the year. There are no charges outstanding in Company's name with the Registrar of Companies. Additionally, it has not defaulted on the repayment of loans, other borrowings, or the payment of interest to any lender.

b) The Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

c) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate companies.

d) No Scheme of Arrangements has been approved by the Competent Authority in terms of Sections 230 to 237 of the Companies Act, 2013.

e) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

42 Summary of material restatement adjustments

Statement of restatement adjustments to audited financial statements

42.1 Reconciliation between audited equity and restated equity

Particulars	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
Equity as per Audited financial statements	**3,380.85**	**3,545.26**	**2,335.70**	**2,263.62**
Adjustments in:				
Profit after tax	-	-	-	-
Other comprehensive income:				
- Remeasurement of post employment benefit obligations	-	-	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Equity as per Restated financial statements	**3,380.85**	**3,545.26**	**2,335.70**	**2,263.62**

42.2 Reconciliation between audited profit after tax with restated profit after tax

Particulars	**As at 31-Dec-24**	**As at 31-Mar-24**	**As at 31-Mar-23**	**As at 31-Mar-22**
Total comprehensive income as per Audited financial statements	**(164.41)**	**1,209.56**	**72.08**	**383.99**
Adjustments in:				
Income tax:				
- Current tax	-	-	-	-
- MAT credit entitlement	-	-	-	(46.74)
- Adjustment of tax relating to earlier years	-	-	-	-
Deferred tax	-	-	-	46.74
Other comprehensive income:				
- Remeasurement of post employment benefit obligations	-	-	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Total comprehensive income as per Restated financial statements	**(164.41)**	**1,209.56**	**72.08**	**383.99**

43 Previous year's figures have been regrouped/rearranged, wherever necessary to conform to current year's classifications/disclosures.

44 Note on Change in the Management/Promoter/Director during the financial year 2023-24:

a) The Company filed an application dated November 15, 2022 with the Reserve Bank of India (“RBI”) seeking approval for the change in management and transfer of control from Mrs. Vijay Rathee and Mr. Kuldeep Singh Rathee (“Seller/ outgoing promoter”) to Dr. Bhaskara Rao Bollineni and Mr. Bhavanam Ruthvik Reddy (“Acquirer/ New Promoter”). The Company received the RBI approval dated May 11, 2023 for the abovementioned change and transfer.

b) Pursuant to the Share Purchase Agreement ("SPA") dated November 09, 2022, executed between the Seller and Acquirer, a public announcement dated November 09, 2022, was made by the Acquirer in terms of (Substantial Acquisition of Shares and Takeover) Regulation 2011. The Acquirer has acquired 69,41,050 equity shares (representing 69.36% of the total equity capital of the Company) which includes 69,39,650 equity shares held by the Seller. The SPA was consummated at the Board Meeting held on July 21, 2023.

c) Further, according to the consummation of SPA, the Board at its meeting held on July 21, 2023, subject to the approval of shareholders had appointed Dr. Bhaskara Rao Bollineni (Non-Executive Chairperson), Mr. Bhavanam Ruthvik Reddy (Executive), and Mr. Veera Venkata Subba Rao Meka (Executive) as Additional Directors of the Company. Subsequently, at the Board Meeting held on September 12, 2023, Mr. Bhavanam Ruthvik Reddy was appointed as Chief Executive Officer and Whole Time Director for three years effective from September 12, 2023, Mr. Veera Venkata Subba Rao Meka was appointed as Managing Director for three years effective from September 12, 2023, and Ms. Jayanthi Talluri was appointed as Independent (Women) Director for two years effective from September 12, 2023. The said appointments were approved by the shareholders of the Company through postal ballot vide resolutions dated October 19, 2023.

d) The Company vide its letter dated September 23, 2023, had requested approval from the BSE Limited (the "Stock Exchange") for the reclassification of the Promoter/Promoter Group under Regulation 31A(10) of the SEBI (LODR) Regulations, 2015 i.e., to reclassify (i) "outgoing promoters" i.e., Mrs. Vijay Rathee and Mr. Kuldeep Singh Rathee as "Public" and (ii) Dr. Bhaskara Rao Bollineni and Mr. Bhavanam Ruthvik Reddy as the "Promoter” of the Company. The Stock Exchange approved these reclassifications of Promoter vide its letter dated March 28, 2024.

e) Pursuant to the No Objection of RBI's letter dated January 25, 2024, and Special Resolution passed by the shareholders by way of postal ballot on March 14, 2024, the Company had applied to Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, for shifting of Registered Office from ‘National Capital Territory (NCT) of Delhi’ to the ‘State of Telangana’. The Company received this approval vide Company Application no. AA7280752/13(4)/RD(NR)/2024/3298, and order dated June 24, 2024. Subsequently, post receiving the necessary approvals, the Registered Office has been shifted to "8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7, Banjara Hills, Hyderabad, Telangana - 500034".

45 Authorisation of restated financial statements

The restated financial statements has been approved for issue by the Board of Directors on March 27, 2025.

As per our report of even date

For D.S. Talwar & CO.
Chartered Accountants
Firm's Registration No.: 000993N

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Sd/-
Shradha Talwar
Partner
Membership No.: 514698
Place: Hyderabad
Date: March 27, 2025

Sd/-
Subba Rao Veeravenkata Meka (Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: March 27, 2025

Sd/-
Bhavanam Ruthvik Reddy
Whole Time Director & CEO
DIN: 08372627
Place: Hyderabad
Date: March 27, 2025

Sd/-
Shashank Shankpal
Chief Financial Officer
PAN: BNKPS4919J
Place: Hyderabad
Date: March 27, 2025

Sd/-
Neha Agarwal
Company Secretary & Compliance Officer
Membership No.: A22107
Place: Hyderabad
Date: March 27, 2025

STATEMENT OF CAPITALISATION

Particulars	Pre-issue as at December 31, 2024 (₹ in lakhs)	Post Issue (₹ in lakhs)
Total Borrowings		
Current Borrowing	-	-
Non-Current Borrowing	-	-
Total Equity		
Equity Share Capital	1,000.80	1,701.35
Other Equity	2,380.05	6,180.02*
Total Capital	3,380.85	7,881.37*
Ratio: Non-current borrowings/Total Equity	Nil	Nil

**After adjusting the other equity for the period ended March 31, 2025, as per audited financial statements.*

OTHER FINANCIAL INFORMATION

The following table sets forth certain accounting and other ratios derived from the Restated Financial Statements for the nine months ended December 31, 2024 and financial years ended March 31, 2024, March 31, 2023, and March 31, 2022. For details, please refer to the section titled 'Restated Financial Statements' beginning on page no. 111.

Particulars	Unit	For the nine months ended 31-Dec-24	For the year ended 31-Mar-24	For the year ended 31-Mar-23	For the year ended 31-Mar-22
Earnings per share (Basic)	₹	(1.64)	12.09	0.72	3.84
Earnings per share (Diluted)	₹	(1.64)	12.09	0.72	3.84
Return on net worth^	%	-6.3%	41.1%	3.1%	18.5%
Net Asset Value per Share	₹	33.78	35.42	23.34	22.62
EBITDA	₹ lakhs	(130.80)	1,370.81	81.80	472.22

^annualised for the nine months period ended 31-Dec-24.

Notes:
The ratios on the basis of Restated Financial Statements have been computed as under:

a. **Basic and diluted earnings per share:** Basic and diluted earnings per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
b. **Return on net worth:** Restated profit for the period attributable to equity shareholders of the Company divided by the simple average net worth of the Company as of the last day of the previous period/year and the last day of the current period/year.
Whereas, Net Worth is equivalent to total equity, and is the sum of equity share capital and other equity as per the Restated Financial Statements.
c. **Net Asset Value per Share:** Net asset value per share is calculated by dividing net worth by weighted average number of equity shares outstanding as at the last day of the relevant period/year.
d. **EBITDA** refers to 'Earning Before Interest, Taxes, Depreciation and Amortisation' which has been arrived at by adding total tax expense, finance costs, depreciation and amortisation expense to the profit after tax.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "**Restated Financial Statements**" beginning on page 111 of this Letter of Offer.*

*Some of the information contained in the following discussion, including information with respect to our plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should also read "**Risk Factors**" and "**Forward Looking Statements**" beginning on pages 24 and 19 respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2024, 2023 and 2022 and the nine months period ended December 31, 2024, included herein is based on the Restated Financial Statements, included in this Letter of Offer. For further information, see "**Restated Financial Statements**" beginning on page 111 of this Letter of Offer.*

*Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "**Presentation of Financial and other Information**" beginning on page 17 of this Letter of Offer.*

BRIEF ABOUT THE COMPANY

Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with the Reserve Bank of India (RBI), categorised as an Investment and Credit Company (ICC). As per the 'Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, the Company is classified under Base Layer (NBFC-BL). The equity shares of the Company are listed on BSE Limited. Currently, the Company is primarily engaged in proprietary investments in stocks and securities, with its revenue largely derived from dividends and investment income.
For more details and history about the Company please refer to the section Overview and History beginning on page 90 of this Letter of Offer.

SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed here below and in this Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our liabilities, within the next 12 (twelve) months:

1. The Board of Directors at its meeting held on February 14, 2025, approved the unaudited financial results for the quarter and nine months ended December 31, 2024.
2. The Board of Directors at the meeting on March 27, 2025, have approved (a) borrowing limits up to ₹5,000 lakhs, subject to shareholders approval and (b) taking a loan not exceeding ₹1,000 lakhs against securities provided the value of security/ pledge created against securities shall not exceed ₹484.50 lakhs.
3. The Board of Directors at its meeting held on May 28, 2025, has considered and approved the following:
   i. Audited financial statements, together with the auditor's report and audited financial results for the quarter and financial year ended March 31, 2025.
   ii. Subject to shareholder's approval, increase in Authorised Share Capital of the Company from ₹25 crores to ₹50 crores, structured as follows: (a) Equity Shares: 4,50,00,000 (four crore fifty lakhs) shares of ₹10/- each (b) Preference Shares: 50,00,000 (fifty lakhs) shares of ₹10/- each and consequent alteration in the Memorandum of Association of the Company.
4. Enhancement of borrowing and disposal powers under section 180(1)(c) and 180(1)(a) of the Companies Act, 2013, up to ₹500 crores, subject to shareholder's approval.

FACTORS THAT MAY AFFECT RESULTS OF OUR OPERATIONS

Our financial condition and operational performance are influenced by various factors and uncertainties, as discussed in the ***"Risk Factors"*** section beginning on page 24. The following factors, among others, could potentially impact our Company's future operational results:

1. Regulatory, Compliance and Political Factors:
    a. Changes in fiscal, economic or political conditions in India;
    b. Changes in government regulations, tax regimes, laws and regulations that apply to our sector;
    c. Changes in the policies and rules by the regulators, stock exchanges, and other government institutions;
    d. Changes in accounting standards by ICAI;
    e. International market trends and geopolitical events can influence the domestic market;
    f. Greater scrutiny on Environmental, Social, and Governance (ESG) compliance can impact Company's operations;
2. Macroeconomic and Market-related Factors:
    a. Changes in economic conditions, including recessions, booms, or sector-specific downturns, can affect both investment returns and lending operations;
    b. High inflation, volatility in interest rates and foreign and domestic currencies, as well as crude oil prices, can significantly impact growth and profitability;
    c. Fluctuations in capital markets can directly impact the valuation of the investment portfolio;
    d. Intense competition from other NBFCs, banks, or fintech players;
    e. Unexpected events such as natural disasters, pandemics, or man-made crises (e.g., terrorism or political unrest) could severely disrupt business operations, supply chains, and economic conditions, potentially affecting our financial performance and stability;
3. Company-related Factors:
    a. Our ability to effectively execute our strategy and achieve planned growth and expansion objectives;
    b. Dependence on a specific sector, set of companies, geography, or borrower group, in the investment and lending portfolios can increase vulnerability to sector-specific risks;
    c. Our ability to attract and retain borrowers, and growing loan portfolio and income;
    d. Inefficiencies or errors in loan origination, underwriting, or collection processes;
    e. Dependence on third-party service providers for our products and services could negatively affect our operations;
    f. Borrowers failing to repay loans, leading to increase in non-performing assets;
    g. Ineffective asset-liability management such as funding long-term assets with short-term liabilities;
    h. Limited access to low-cost funding sources or reduced investor confidence;
    i. Our ability to control costs;
    j. Higher attrition and our inability to attract relevant talent in time;
    k. Over-reliance on key executives or personnel without sufficient backup for decision-making and strategy execution;
    l. Internal or external fraudulent activities;
    m. System outages, cyber-attacks, or lapses in data security;
    n. Negative publicity, legal issues, or customer dissatisfaction damaging brand reputation.
    o. Failure to diversify our product offerings or effectively manage the risks stemming from market conditions, regulatory changes, or unforeseen events, our growth prospects and profitability could be significantly impacted.

Results of Operations

The following table sets out selected data from the Restated Financial Statements for the Period ended Financial Year 2024, Financial Year 2023, Financial Year 2022, and nine months ended December 31, 2024, together with the percentage that each line item represents to our total revenue for the periods presented.

Particulars	Nine months ended December 31, 2024		Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue
Income:								
Revenue from Operations	70.50	100.0%	1,502.95	100.0%	134.43	100.0%	539.25	100.0%
Other Income	-	-	-	0.0%	0.05	0.0%	0.01	0.0%
Total Revenue	**70.50**	**100.0%**	**1,502.95**	**100.0%**	**134.48**	**100.0%**	**539.26**	**100.0%**
Expenses:								
Finance Cost	-	0.0%	10.79	0.7%	-	0.0%	0.99	0.2%
Fees and Commission Expenses	3.94	5.6%	7.63	0.5%	4.60	3.4%	8.21	1.5%
Employee Benefits Expense	146.48	207.8%	90.54	6.0%	22.58	16.8%	33.18	6.2%
Depreciation and Amortisation Expenses	0.71	1.0%	1.07	0.1%	0.99	0.7%	0.51	0.1%
Other Expenses	50.88	72.2%	33.97	2.3%	25.50	19.0%	25.65	4.8%
Total Expenditure	**202.01**	**286.5%**	**144.00**	**9.6%**	**53.67**	**39.9%**	**68.54**	**12.7%**
Profit before Tax and before exceptional items	**(131.51)**	**-186.5%**	**1,358.95**	**90.4%**	**80.81**	**60.1%**	**470.72**	**87.3%**
Exceptional items:	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Profit before Tax and after exceptional items	**(131.51)**	**-186.5%**	**1,358.95**	**90.4%**	**80.81**	**60.1%**	**470.72**	**87.3%**
Tax Expenses:								
Current tax	-	0.0%	237.52	15.8%	13.56	10.1%	78.69	14.6%
MAT Credit Entitlement	-	0.0%	(237.52)	-15.8%	(13.56)	-10.1%	(46.74)	-8.7%
Adjustment of Tax Relating to Earlier Years	(0.06)	-0.1%	0.01	0.0%	0.99	0.7%	(2.21)	-0.4%
Deferred Tax	32.90	46.7%	149.21	9.9%	7.75	5.8%	56.95	10.6%
Total Tax Expenses	**32.84**	**46.6%**	**149.22**	**9.9%**	**8.74**	**6.5%**	**86.69**	**16.1%**
Profit / (Loss) after tax for the period [A]	**(164.35)**	**-233.1%**	**1,209.73**	**80.5%**	**72.07**	**53.6%**	**384.03**	**71.2%**
Other Comprehensive Income:								
(i) Items that will not be reclassified to profit or loss in subsequent years:								
- Remeasurement of post employment benefit obligations	(0.07)	-0.1%	(0.21)	0.0%	0.01	0.0%	(0.05)	0.0%
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.01	0.0%	0.03	0.0%	-	0.0%	0.01	0.0%
Other comprehensive income/ (loss) for the year, net of tax [B = i+ii]	**(0.06)**	**-0.1%**	**(0.18)**	**0.0%**	**0.01**	**0.0%**	**(0.04)**	**0.0%**
Total Comprehensive Income/(Loss) for the period [A+B]	**(164.41)**	**-233.2%**	**1,209.56**	**80.5%**	**72.08**	**53.6%**	**383.99**	**71.2%**
Nominal Value per Equity Share (₹)	10.00		10.00		10.00		10.00	

Particulars	Nine months ended December 31, 2024		Financial Year ended March 31, 2024		Financial Year ended March 31, 2023		Financial Year ended March 31, 2022	
	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue	Amount (₹ in Lakh)	% of Total Revenue
Earnings per Equity share – Basic (₹)	(1.64)		12.09		0.72		3.84	
Earnings per Equity share – Diluted (₹)	(1.64)		12.09		0.72		3.84	

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "***Financial Information***" beginning on page 111 of this Letter of Offer.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS AND NINE MONTHS

Except as mentioned in chapter "***Financial Information***" beginning on page 111 of this Letter of Offer there has been no change in accounting policies in last 3 years and nine months.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "***Financial Information***" beginning on page 111 of this Letter of Offer.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT

The following descriptions set forth information with respect to the key components of the Financial Statements:

Total Revenue: The total revenue comprises –

a) ***Revenue from operations*** primarily consists of income on investments (including unrealised gains on changes in fair value of shares and liquid funds), dividend income, and interest on fixed deposits.
b) ***Other income*** includes only provision for expenses written back.

Expenses: Our expenses consist of –

a) ***Employee benefits expense*** forms one of the major component of our total expenses which includes salaries, wages and bonus to employees, contribution to provident and other funds, gratuity, compensated absences, and staff welfare expenses.
b) ***Finance cost*** includes interest on delayed payment of statutory dues (such as income tax and TDS), and other expenses.
c) ***Fees and commission expenses*** consist of listing fee and depository charges.
d) ***Depreciation and amortisation expense*** consist of depreciation of property, plant and equipment, and amortisation of intangible assets.
e) ***Other expenses*** mainly include legal and professional expenses, payment to auditor, rent, repair and maintenance, advertising expenses, travel and conveyance, communication expenses, printing and stationery, and miscellaneous expenses.

Tax Expenses: Tax expenses majorly comprise –

a) ***Current tax***, which refers to the tax liability calculated on the taxable income for the year, based on the applicable tax rates and provisions outlined in the relevant tax laws.
b) ***Minimum Alternate Tax (MAT) Credit Entitlement*** represents the recognition of tax credits available under the MAT regime. As there is no tax liability under the regular tax rate, this credit offsets future tax liabilities, ensuring that the Company can utilise it in subsequent years when taxable profits exceed MAT thresholds. The MAT rates applied by the Company during different periods are available in the ***"Restated Financial Information"*** section beginning on page 111 of this Letter of Offer.
c) ***Deferred tax*** liabilities (charge) or assets (credit) are recognised to account for temporary differences between taxable profit and book profit arising from timing differences. These are measured using the applicable tax rates and laws that are enacted or substantively enacted as of the relevant balance sheet date.

COMPARISON OF FINANCIAL PERFORMANCE BETWEEN FINANCIAL YEAR ENDED MARCH 31, 2024 ("FISCAL 2024" OR "FY24") AND FINANCIAL YEAR ENDED MARCH 31, 2023 (FISCAL 2023" OR "FY23"), AS WELL AS FINANCIAL YEAR ENDED MARCH 31, 2023 AND FINANCIAL YEAR ENDED MARCH 31, 2022 ("FISCAL 2022" OR "FY22")

1. ***Total Revenue***

a) **FY24 Vs. FY23:** Our total revenue in the fiscal year ended March 31, 2024, was ₹1,502.95 lakhs, an increase by 1017.6% over the total revenue of ₹134.48 lakhs in the fiscal year ended March 31, 2023.

b) **FY23 Vs. FY22:** Our total revenue in the fiscal year ended March 31, 2023, was ₹134.48 lakhs, a decrease by 75.1% over the total revenue of ₹539.26 lakhs in the fiscal year ended March 31, 2022.

2. ***Revenue from Operations***

a) **FY24 Vs. FY23:**

i. The revenue from operations of ₹1,502.95 lakhs formed 100% of our total revenue for the fiscal year ended March 31, 2024. The revenue from operations grew by 1018.1% compared to ₹134.43 lakhs in the fiscal year ended March 31, 2023. This increase was primarily attributed to the 'net gain on fair value changes' which contributed 97.3% to our revenue from operations.

ii. The 'net gain on fair value changes' increased by 1274.4% year-on-year (i.e., ₹106.45 lakhs in FY23 which increased to ₹1,463.01 lakhs in FY24). This was due to the increase in the value of our investments reported as 'unrealised gain on changes in fair value of shares and liquid fund' of ₹1,360.06 lakhs in the fiscal ended March 31, 2024, compared to ₹85.15 lakhs in the fiscal ended March 31, 2023.

iii. Dividends (₹38.05 lakhs) and interest on fixed deposits (₹1.90 lakhs) contributed 2.5% and 0.1%, respectively, to the revenue from operations for the fiscal year ended March 31, 2024, while dividends (₹27.98 lakhs) and interest on fixed deposits (₹nil) contributed 20.8% and nil, respectively, to the revenue from operations for the fiscal year ended March 31, 2023. This is because of the expansion in the denominator, i.e., revenue from operations for FY24 which grew significantly due to the increase in the value of our investments reported as 'unrealised gain on changes in fair value of shares and liquid fund', as explained above.

b) **FY23 Vs. FY22:**

i. The revenue from operations of ₹134.43 lakhs formed 99.96% of our total revenue for the fiscal year ended March 31, 2023. The revenue from operations decreased by 75.1% compared to ₹539.25 lakhs in the fiscal year ended March 31, 2022. This decrease was primarily attributed to the 'net gain on fair value changes' which contributed 79.2% to our revenue from operations in fiscal year ended March 31, 2023.

ii. The 'net gain on fair value changes' decreased by 77.8% year-on-year (i.e., ₹480.15 lakhs in FY22 from ₹106.45 lakhs in FY23). This was due to the decrease in the value of our investments reported as 'unrealised gain on changes in fair value of shares and liquid fund' of ₹85.15 lakhs in the fiscal ended March 31, 2023, compared to ₹131.61 lakhs in the fiscal ended March 31, 2022.

iii. Dividends contributed the remaining 20.8% to the revenue from operations for the fiscal year ended March 31, 2023.

3. ***Other Income***

'Provision for expenses written back' is grouped under 'other income'. It was nil, ₹0.05 lakhs and ₹0.01 lakhs for the fiscal years ended March 31, 2024, 2023 and 2022, respectively.

4. ***Finance Cost***

Our finance cost were ₹10.79 lakhs, nil, and ₹0.99 lakhs, respectively for the fiscal years ended March 31, 2024, 2023 and 2022. It represented 0.7% of our total revenue in fiscal year 2024, and 0.2% in 2022.

5. ***Fees and Commission Expenses***

a) **FY24 Vs. FY23:** The fees and commission expenses increased by 65.9% at ₹7.63 lakhs in fiscal year 2024 compared to ₹4.60 lakhs in fiscal 2023, primarily due to the expenses incurred for effecting changes in promoters during fiscal 2024.

b) **FY23 Vs. FY22:** The fees and commission expenses decreased by 44.0% to ₹4.60 lakhs in fiscal year 2023 compared to ₹8.21 lakhs in fiscal 2022. This decrease is attributed to the delayed payment of the listing fee for fiscal year 2021, which was settled in fiscal year 2022, resulting in higher expenses during that period.

6. Employee Benefits Expense

a) **FY24 Vs. FY23:** For fiscal 2024, the employee benefit expense of ₹90.54 lakhs was 6.0% of the total revenue compared to ₹22.58 lakhs for fiscal 2023 and contributed 16.8% of the total revenue. There was an increase in employee benefit expense of 301.0% in fiscal 2024 compared to fiscal 2023, mainly due to the increase in the number of employees resulting in higher salaries, contribution towards gratuity, and compensated absences (i.e., leave encashments). It is pertinent to note the change in management and promoters during fiscal 2024 which is further explained in "Overview and History section beginning on page 90 of this Letter of Offer.

b) **FY23 Vs. FY22:** For fiscal 2023, the employee benefit expense of ₹22.58 lakhs was 16.8% of the total revenue compared to ₹33.18 lakhs for fiscal 2022 and contributed 6.2% of the total revenue. There was a decrease in employee benefit expense of 31.9% in fiscal 2023 compared to fiscal 2022, mainly due to the decrease in the number of employees resulting in lower salaries, contribution towards gratuity, compensated absences (i.e., leave encashments), and staff welfare expenses.

7. Depreciation and Amortisation Expenses

a) **FY24 Vs. FY23:** The depreciation and amortisation expenses contributed 0.1% of our total revenue for fiscal 2024 compared to 0.7% for fiscal 2023. It increased year-on-year by 8.1% from ₹0.99 lakhs in fiscal 2023 to ₹1.07 lakhs in fiscal 2024, which was attributed to the increase in the gross block of fixed assets from ₹4.84 lakhs in fiscal 2023 to ₹5.26 lakhs, due to new additions of ₹0.42 lakhs, in fiscal 2024.

b) **FY23 Vs. FY22:** The depreciation and amortisation expenses contributed 0.7% of our total revenue for fiscal 2023 compared to 0.1% for fiscal 2022. It increased year-on-year by 94.1% from ₹0.51 lakhs in fiscal 2022 to ₹0.99 lakhs in fiscal 2023, which was attributed to the increase in the gross block of fixed assets from ₹4.19 lakhs in fiscal 2022 to ₹4.84 lakhs, due to new additions of ₹2.66 lakhs and ₹ 0.65 lakhs during the second half of fiscal 2022 and fiscal 2023, respectively.

8. Other Expenses

a) **FY24 Vs. FY23:** Other expenses increased to ₹33.97 lakhs for FY24 from ₹25.50 lakhs for FY23, an increase by 33.2%. This increase was mainly due to increase in travelling and conveyance, legal and professional expenses, advertisement expenses, repair and maintenance, amongst others. Other expenses were 2.3% of our total revenue during FY24 as against 19.0% during FY23.

b) **FY23 Vs. FY22:** Other expenses marginally decreased to ₹25.50 lakhs for FY23 from ₹25.65 lakhs for FY22, a decrease by 0.6%. This decrease was mainly due to decrease in communication expenses, printing and stationery, travelling and conveyance, rates, fees & taxes, advertisement expenses, amongst others. Other expenses were 19.0% of our total revenue during FY23 as against 4.8% during FY22.

9. Tax Expenses

a) **FY24 Vs. FY23:** Our tax expenses surged by 1607.3%, reaching ₹149.22 lakhs in FY24 compared to ₹8.74 lakhs in FY23. This increase was driven by a significant rise in profit before tax to ₹1,358.95 lakhs in FY24 from ₹80.81 lakhs in FY23, attributable to the reasons mentioned above. The deferred tax expense was the primary component, i.e., 99.99% (FY24) and 88.7% (FY23) of the total tax expenses. The Company paid income tax of ₹237.52 lakhs for FY24 (₹13.56 lakhs for FY23) under the MAT provisions, as there was no tax liability under the regular tax rates. The MAT credit was recognised immediately and can be offset against future tax liabilities once taxable profits exceed the MAT threshold, as per the provisions of Section 115JAA of the Income Tax Act, 1961.

b) **FY23 Vs. FY22:** Our tax expenses reduced by 89.9%, to ₹8.74 lakhs in FY23 compared to ₹86.69 lakhs in FY22. This reduction was due to the significant decrease in profit before tax to ₹80.81 lakhs in FY23 from ₹470.72 lakhs in FY22, attributable to the reasons mentioned above. The deferred tax expense was the primary component, i.e., 88.7% (FY23) and 65.7% (FY22) of the total tax expenses. The Company paid income tax of ₹13.56 lakhs for FY23 (₹78.69 lakhs for FY22) under the MAT provisions, as there was no tax liability under the regular tax rates. The MAT credit of ₹13.56 lakhs for FY23 (₹46.74 lakhs for FY22) was recognised immediately and can be offset against future tax liabilities once taxable profits exceed the MAT threshold, as per the provisions of Section 115JAA of the Income Tax Act, 1961.

10. Profit After Tax ("PAT")

a) **FY24 Vs. FY23:** The PAT increased by 1578.7% to ₹1,209.73 lakhs during the fiscal 2024 compared to ₹72.07 lakhs during the fiscal 2023, due the various reasons mentioned above.

b) **FY23 Vs. FY22:** The PAT decreased by 81.2% to ₹72.07 lakhs during the fiscal 2023 compared to ₹384.03 lakhs during the fiscal 2022, due the various reasons mentioned above.

11. Financial Indebtedness

The Company had no outstanding borrowings from banks or financial institutions as of March 31, 2024, 2023, and 2022.

12. Related Party Transactions

For the details of our related party transactions, please see "Note 30 - Related party disclosures" beginning on page 149 of this Letter of Offer.

OTHER MATTERS

1. **Unusual or infrequent events or transactions**

   Except as described in this Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations**

   Other than as described in this Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations.

3. **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue, or income from continuing operations**

   Other than as disclosed in the section titled "***Risk Factors***" beginning on page 24 of this Letter of Offer to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. **Future relationship between Costs and Income.**

   Our Company's future costs and revenues will be determined by demand/supply situation, lending rates, borrowing cost, government policies, and prices quoted by service providers.

5. **Status of any publicly announced new products/projects or business segments**

   Our Company has not announced any new projects or business segments, other than as disclosed in the Letter of Offer.

6. **Competitive Conditions**

   We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "***Our Business***" on page 90 of this Letter of Offer.

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, please see "***Terms of the Issue***" beginning on page 182 of this Letter of Offer. We have received in-principle approval for listing of the Rights Equity Shares on the BSE to be issued pursuant to the Issue from the BSE by letter dated May 20, 2025. Our Company will also make application to BSE to obtain the trading approval from the BSE for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of our Equity Shares for the year, or the month, as the case maybe;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Stock Market Data of the Equity Shares

The following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years, and the number of the Equity Shares traded on the days of the high and low prices were recorded.

BSE							
FY	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**	**Average (₹)**
2024-25	177.48	10-Apr-24	1,02,743	90.00	04-Mar-25	1,790	117.04
2023-24	274.30	13-Jun-23	23,670	91.80	15-Mar-24	54,280	143.52
2022-23	207.25	25-Jan-23	17,281	20.65	03-Oct-22	2,819	65.04

(Source: www.bseindia.com)

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows; and the market price on close of trading on November 6, 2024 being the day following the date of Board meeting where a resolution was passed approving the Rights Issue, was **₹ 133.65**.

BSE							
Month	**High (₹)**	**Date of High**	**Volume on date of high (No. of Equity Shares)**	**Low (₹)**	**Date of Low**	**Volume on date of low (No. of Equity Shares)**	**Average (₹)**
May, 2025	131.99	30-May-25	16,870	95.00	09-May-25	256	104.89
April, 2025	104.50	15-Apr-25	2,171	79.00	07-Apr-25	4,916	99.50
March, 2025	111.00	18-Mar-25	5,762	90.00	04-Mar-25	1,790	98.66
February, 2025	127.85	06-Feb-25	6,978	91.20	25-Feb-25	3,923	106.69
January, 2025	125.80	02-Jan-25	679	91.20	28-Jan-25	21,645	112.03
December, 2024	141.00	03-Dec-24	13,476	110.40	31-Dec-24	1,441	126.85

(Source: www.bseindia.com) Note: The equity shares of our Company were traded for a total number of 123 trading days during the above 6 months; average volume being 4,260 equity shares.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 2 [Two]*% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above and 5 (five)% of the average absolute value of profit after tax, as per the last three Audited Financial Statements of the Company.*

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company;(iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

I. Litigation involving our Company

A. Litigation filed against our Company

1. **All Criminal proceedings**

Nil

2. **All actions by regulatory and statutory authorities**

- The Company's shares were suspended by the Delhi Stock Exchange Association Ltd., w.e.f., 22.12.2003 and was communicated vide their letter No. DSE/LJST/7413/NR/324 dated 29th March, 2006 and letter No. DSE/ LIST/7413/NR/383 dated 30/31 st March, 2006. Subsequently, the shares of the Company have been delisted vide letter no. DSE/ LIST /7 413/NR/58 dated April 11, 2007.

- The Shares of the Company have been delisted from the Madras Stock Exchange Limited, Jaipur Stock Exchange Limited and the Delhi Stock Exchange Association Ltd vide their letter No. MSE/LD/ PSK/713/ 17 5/07 dated March 07, 2007, JSEL/ 2007 /412 dated March 28, 2007, and DSE/ LIST /7 413/NR/58 dated April 11, 2007 respectively.

- The Company's equity shares were suspended from trading by the Calcutta Stock Exchange ("CSE") between March 21, 2014, till August 18, 2021, due to certain noncompliance with the listing agreement. Post revocation of suspension, the Company applied for voluntary delisting before the CSE and its equity shares were subsequently voluntarily delisted from the CSE on December 20, 2021.

- The company received a show-cause notice dated April 6th, 2023, for cancelling its Certificate of Registration from the Reserve Bank of India, Department of Non-Banking Supervision. The company filed its detailed submission on various dates in response to the said notice, and no provision for any penalty or fines has been accounted for in the financials.

3. **Claims related to direct and indirect taxes: - NIL**

4. **Other matters based on the materiality policy of our Company: NIL**

5. **Disciplinary action taken (including outstanding action) against our Company by SEBI or any stock exchanges: -**

S. No.	Non-compliance Alleged	Fine/Penalty Levied (in ₹ in lakhs)	Stock Exchange Which Imposed Fine
2014			
1	Non-submission of Corporate Governance Report Reg. 27(2) for March 2014	0.91	BSE
2	Late submission of Corporate Governance Report Reg. 27(2) for June 2014	0.04	BSE
3	Late submission of Corporate Governance Report Reg. 31 for March 2014	1.44	BSE
4	Late submission of Corporate Governance Report Reg. 31 for June 2014	0.04	BSE
5	Late submission of Financial Results Reg. 34 for March 2014	0.02	BSE
6	Late submission of Corporate Governance Report Reg. 27(2) for December 2014	0.04	BSE
2015			
7	Late submission of Financial Results Reg. 33 for March 2015	0.05	BSE
8	Late submission of Corporate Governance Report Reg. 27(2) for June 2015	0.01	BSE
9	Late submission of Corporate Governance Report Reg. 27(2) for September 2015	0.49	BSE
10	Late submission of Corporate Governance Report Reg. 27(2) for December 2015	0.03	BSE
11	Late submission of Corporate Governance Report Reg. 31 for September 2015	1.19	BSE
2016			
12	Late submitted the Annual Report Reg. 34 for the year ended March 2016	0.21	BSE
2018			
13	Late submitted the Annual Report Reg. 34 for the year ended March 2018	0.38	BSE
14	Late submitted the statement of Investor Complaint Reg. 13(3) for the quarter ended September 2018	0.21	BSE
15	Non-compliance with Corporate Governance report for the quarter ended September 2018 (Reg. 17(1))	5.43	BSE
16	Delayed in furnishing prior intimation about the board meeting - Reg. 29(2)/29(3) for the month ended November 2018	0.12	BSE

S. No.	Non-compliance Alleged	Fine/Penalty Levied (in ₹ in lakhs)	Stock Exchange Which Imposed Fine
2019			
17	Delayed in furnishing prior intimation about the board meeting - Reg. 29(2)/29(3) for the month ended May 2019	0.12	BSE
18	Late submitted the financial results Reg. 33 for the quarter ended September 2019	1.06	BSE
19	Non-redressal of Investor Complaints (Reg. 13(1)) for Quarter Ended September 2019	0.21	BSE
20	Late submitted voting results - Reg. 44(3) for the month ended September 2019	0.12	BSE
21	Non-compliance with the Corporate Governance report for the quarter ended December 2019 (Reg. 19(1)/19(2))	2.17	BSE
22	Non-compliant with Reg. 6(1) for the quarter ended December 2019	0.45	BSE

B. Outstanding Litigation filed by our Company

1. **All Criminal proceedings: NIL**

2. **All actions by regulatory and statutory authorities: NIL**

3. **Claims related to direct and indirect taxes: NIL**

4. **Other matters based on the materiality policy of our Company: NIL**

II. Litigation involving our Promoters

A. Litigation filed against our Promoters

1. **All Criminal proceedings**: Nil

2. **All actions by regulatory and statutory authorities**:- NIL

3. **Disciplinary action including penalty imposed by SEBI or Stock Exchanges against the promoters in the last five financial years including outstanding action:** Except for the disciplinary action and penalty (as explained below) during the period prior to the current promoters taking control of the Company, there is no disciplinary action taken against the Company.

   The equity shares of the Company are listed on BSE (scrip code: 511571) and are not suspended from trading on BSE. The company is in compliance with the listing requirements of BSE, except for the period from 2014 to 2019, during which it was non-compliant with certain provisions of SEBI LODR Regulations, and the penalty for the same has been paid to BSE.

   The equity shares, besides being listed on BSE, were also listed on Calcutta Stock Exchange Limited ("CSE") (scrip code: 029145), till December 19, 2021. On the CSE, the equity shares were suspended from trading and were last traded in 2001. An application for voluntary delisting from CSE was submitted on January 18, 2007. Following this, no documents were submitted for annual or event-based compliances, including those required under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997/ 2011. A letter was sent to CSE on May 20, 2019, requesting the correction of the "trading status" of the equity shares appearing as suspended on CSE's website. On January 21, 2021, CSE replied through an e-mail indicating that the shares were suspended and the company would need to apply for revocation of suspension and follow all procedural formalities before proceeding with the delisting process. Accordingly, the company, previously promoted by Mr. Kuldeep Singh Rathee and Mrs. Vijay Rathee, in October 2019, in compliance with the provisions of the Takeover Regulations, paid listing fees from the Year 2007-08 to 2021-22, interest for delayed payments, and fees for the revocation of suspension to CSE in 2021. Subsequent to these steps, the suspension of trading in the shares was revoked. Further, CSE, by letter no. CSE/LD/15391/2021 dated December 17, 2021, delisted the equity shares with effect from December 20, 2021. Hence, after December 20, 2021, the equity shares are listed and traded solely on BSE.

4. **Claims related to direct and indirect taxes:** For Mr Bhavanam Ruthvik Reddy: NIL

For Dr Bhaskara Rao Bollineni as under:

Statute	Period (Assessment Year)	Description	Amount (₹ in Lakhs)	Particulars
Income Tax Act, 1961	2017-18	Penalty proceedings before the Hon'ble Commissioner Of Income Tax (Appeals),	46.77	Penalty proceedings before the Hon'ble Commissioner Of Income Tax (Appeals),

5. **Other matters based on the materiality policy of our Company.**

Our Promoter Dr Bhaskara Rao Bollineni, is also promoter and Managing Director of Krishna Institute of Medical Sciences Limited (KIMS), which is a listed company. In the ordinary course of business, customers have filed 25 consumer complaints before various forums within India against KIMS wherein Dr Bhaskara Rao Bollineni has also been made as one of the defendants. The aggregate amount involved in such matters is ₹3741 lakhs.

B. Litigation filed by our Promoter

1. **All Criminal proceedings NIL**

2. **Other Matters based on the Materiality Policy of our Company**
NIL

III. Litigation involving our directors (other than Promoters)

A. Litigation filed against our director

1. **All Criminal proceedings: NIL**

2. **All actions by regulatory and statutory authorities**: **NIL**

3. **Claims related to direct and indirect taxes:**

Against Mr. Subba Rao Veeravenkata Meka

Statute	Period (Assessment Year)	Description	Amount (₹ in Lakhs)	Particulars
Income Tax Act, 1961	2019-20	Notice u/s 154 dated 04/02/2025	11.53	Response has been submitted for reconciliation of the tax paid
Income Tax Act, 1961	2021-22	Notice u/s 154 dated 04/02/2025	0.072	Response has been submitted
Income Tax Act, 1961	2023-24	Notice u/s 154 dated 04/02/2025	0.050	Response has been submitted

4. **Other matters based on the materiality policy of our Company: NIL**

B. Litigation filed by our director

1. **All Criminal proceedings:- NIL**

2. **Other matters based on materiality policy of our Company: NIL**

Other Disclosures

- Our Company, its Promoters, Promoter Group, Directors or any companies with which the Directors of our Company are associated as directors or promoters have not been prohibited from accessing the capital markets under any order or direction passed by SEBI which is still in force.

- The Promoters and Directors of our Company are not declared as fugitive economic offenders.

- Neither our Company, our directors nor our Promoters are or have been declared as willful defaulters or fraudulent borrower by a bank or financial institution or a consortium thereof in accordance with the guidelines issued by RBI.

IV. LITIGATION INVOLVING OUR SUBSIDIARIES

1. **Against Directors of the Subsidiary Company: Nil**
2. **By Directors of the Subsidiary Company: Nil**

V. Litigations Involving Company's Group Entities

1. **Against the Group Entities: Nil**
2. **By the Group Entities: Nil**

VI. Other litigations involving any other entities which may have a material adverse effect on the Company.

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against the company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

VII. Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower:

Neither our Company, nor our Promoters and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Further, we confirm that there are no show cause or legal notices, or any legal or regulatory proceedings or investigations known to be initiated or contemplated against the Company except as follows: NIL

VIII. Outstanding dues to creditors

Details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2024 and December 31, 2024, by our Company, are set out below:

(₹ in lakhs)

Type of creditors	Amount involved December 24	Amount involved March 24
Micro, Small and Medium Enterprises	-	-
Other than Micro, Small and Medium Enterprises	4.74	6.08
Other creditors	-	-
Total	**4.74**	**6.08**

Material Developments

Other than as stated in the section titled "***Significant Developments after December 31, 2024 that may affect our future results of operations***" in the Chapter "***Management's Discussion and Analysis of Financial Position and Results of Operations***" on page 160 of this Letter of Offer, there are no circumstances, which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

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GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "***Objects of the Issue***" beginning on page 59 of this Letter of Offer.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on November 5, 2024 to raise funds by issuance and allotment of equity shares for aggregate amount of up to ₹ 50 Crore (Rupees Fifty Crore) by a Right Issue(s), on such terms to be decided by the Board or a duly constituted committee of the Board at a later date.

Our Board, in its meeting held on May 28, 2025, has resolved to issue the Equity Shares on rights basis in the ratio of 07 (Seven) Rights Equity Shares for 10 (Ten) Equity Shares held by the Eligible Equity Shareholders, at ₹70/- per Equity Share (including a premium of ₹60/- per Equity Share) aggregating up to ₹4,903.91 lakhs. The Issue Price is ₹70/- per Equity Share and has been arrived at by our Company prior to determination of the Record Date.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to its letter dated May 20, 2025. Our Company will also make application to BSE to obtain its trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN number INE754C20010 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "***Terms of the Issue***" beginning on page 182 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this 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 is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our 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 the date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI (ICDR) Regulations. Our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI (ICDR) Regulations.

Compliance with Regulations 61 and 62 of the SEBI (ICDR) Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B-1 of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the Designated Stock Exchange;

2. The reports, statements and information referred to above are available on the websites of BSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

However, in terms of Clause (3) of Part B of Schedule VI of the SEBI ICDR Regulations, following issuers shall mandatorily make disclosures in the draft letter of offer/letter of offer as specified in Part B-1 of this Schedule:

(a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time subsequent to such change and a period of three full years has not elapsed since such a change;

(b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time subsequent to such listing and a period of three full years has not elapsed since such listing.

Since the management of our Company has undergone change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, during the financial year 2022-23, the disclosures contained in the Draft Letter of Offer/Letter of Offer have been mandatorily made in terms of Part B-1 of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATION PURPOSES.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in respect of Jurisdiction

This 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 Hyderabad only.

Disclaimer Clause of BSE

BSE Limited ("**the Exchange**") has given *vide* its letter dated May 20, 2025, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
ii. Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the legal advisor and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated March 27, 2025 from our Statutory Auditor to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated March 27, 2025 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated March 27, 2025 from our Statutory Auditor to include their name as required in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation the Statement of Tax Benefits dated March 27, 2025 and such consent has not been withdrawn as of the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

The Company has not made a Public or rights issue in the previous 10 years.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any subsidiaries or associate companies as on the date of this Letter of Offer.

Stock Market Data of the Equity Shares

Our Equity Shares are listed and traded on the BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "***Market Price Information***" beginning on page 167 of this Letter of Offer.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this 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 Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this 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 the Draft Letter of Offer had been filed with the BSE and this Letter of Offer will be filed with BSE and will be submitted to SEBI.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this 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 Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents 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.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE 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, 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 Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this 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 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 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 ANY OTHER JURISDICTION AT ANY TIME.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

SEBI *vide* the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer had been filed with the BSE and not with SEBI. However, this Letter of Offer will be submitted with 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 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. RCMC Share Registry 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 off within 15 days from the date of receipt of the complaint.

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 182 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Name: RCMC Share Registry Private Limited
Address:- B-25/1, 1st Floor, Okhla Industrial
Area, Phase-II, New Delhi-110020
Telephone: 011-26387320, 21
Mobile: 8527695125
Email: investor.services@rcmcdelhi.com
Website: www.rcmcdelhi.com
Contact person: Mr. Ravinder Dua

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

Company Secretary and Compliance Officer of our Company.

Ms. Neha Agarwal,
Telephone: +91 9810228093
Email: compliancesdfl@gmail.com

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SECTION VIII – ISSUE INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this 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 the Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

Please note that our Company has opened a separate demat suspense escrow account (namely, "SOM DATT FINANCE CORPORATION LTD-SUSPENSE ESCROW ACCOUNT-RIGHT ISSUE") ("Demat Suspense Account" and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund ("IEPF") authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed suspense account / demat suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date or where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details (such as applicable regulatory approvals, self- attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than July 01, 2025, being two clear Working Days prior to the Issue Closing Date, i.e., July 04, 2025, to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense Account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer. In the event that the Eligible Equity Shareholders are not able to provide

relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

IMPORTANT

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI (ICDR) Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Shareholders can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) our Company at www.somdattfin.com
(ii) the Registrar at www.rcmcdelhi.com and
(iii) the Stock Exchange at www.bseindia.com

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.rcmcdelhi.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.rcmcdelhi.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.somdattfin.com).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

Please note that neither our Company nor the Registrar shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective 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 this 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 addresses and an Indian address to our Company.

This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Managers to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Shareholders desiring to make an application in this Issue are mandatorily required to use the ASBA process. Shareholders should carefully read the provisions applicable to such application before making their application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "**Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" on page 196 of this Letter of Offer.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "**Grounds for Technical Rejection**" below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "**Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**" below.

- **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or

(v) renounce its Rights Entitlements in full.

- **Making of an Application through the ASBA process**

Shareholders, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Shareholders desiring to make an

Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the 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. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's for Shareholders applying through ASBA:

(a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
(b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
(c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
(d) Ensure that there are sufficient funds (equal to {number of 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.
(e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
(f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
(g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
(h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
(i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don’ts for Shareholders applying through ASBA:

(a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
(b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
(c) Do not send your physical Application to the 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.
(d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
(e) Do not submit Application Form using third party ASBA account.
(f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
(g) Do not submit multiple Applications.

➢ **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 or Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

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:

Name of the Issuer Company, being **Som Datt Finance Corporation Limited**;
(i) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
(ii) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
(iii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
(iv) Number of Equity Shares held as on Record Date;

(v) Allotment option – only dematerialised form;

(vi) Number of Equity Shares entitled to;

(vii) Number of Equity Shares applied for within the Rights Entitlements;

(viii) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

(ix) Total number of Equity Shares applied for;

(x) Total amount paid at the rate of ₹ 70 per Equity Share;

(xi) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

(xii) In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

(xiii) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

(xiv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

(xv) An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at the registered office address given on the cover page; and

(xvi) All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlement nor the Rights Equity Shares have been or will be registered under the U.S. Securities Act of 1933 as amended (the U.S .Securities Act or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "**United States**"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United Stated in compliance with Regulation S under the U. S. Securities Act ("**Regulation S**") to Eligible Equity Shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights 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 Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, 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.rcmcdelhi.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 at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either through email to the RTA at investorsservices@rcmcdelhi.com or by post, speed post, courier or hand delivery, so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The remaining procedure for Application shall be same as set out in "- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

Shareholders are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" mentioned below.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Additional general instructions for Shareholders in relation to making of an application

(a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process" mentioned above.

(d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

(e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

(f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

(g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper

Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs or 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.**

(h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

(j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

(k) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(l) All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) No investment under the FDI route (i.e. any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

(t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

(u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

- **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand.

(o) If a Shareholders is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Shareholders to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

(q) Applications which have evidence of being executed or made in contravention of applicable securities laws.

(r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

(s) Applications by non-resident Shareholders are likely to be rejected if the application money has been paid from third party bank accounts.

- **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "**Procedure for Applications by Mutual Funds**" mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "Capital Structure - Intention and extent of participation by our Promoter" mentioned above.

- **Procedure for Applications by certain categories of Shareholders**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Shareholders"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, July 04, 2025, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "Basis of Allotment" mentioned below.

Please note that on the Issue Closing Date, applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

Shareholders who have applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

➢ **Rights Entitlements**

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.rcmcdelhi.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.somdattfin.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 INE754C20010. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue

Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. https://www.rcmcdelhi.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than July 01, 2025, being two Working Days prior to the Issue Closing Date, i.e. July 04, 2025, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➢ **Renouncees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

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➢ **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. In accordance with the SEBI ICDR Master Circular, Shareholders holding shares in physical form shall be required to provide their demat account details to our Company and the Registrar for credit of Rights Entitlements not later than two Working Days prior to the Issue Closing Date, such that credit of Rights Entitlements in their demat account takes place at least one day before the Issue Closing Date.

➢ **Procedure for Renunciation of Rights Entitlements**

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "On Market Renunciation"); or (b) through an off-market transfer (the "Off Market Renunciation"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE754C20010 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from June 20, 2025 to June 30, 2025 (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 INE754C20010 and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Shareholders holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE754C20010, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Shareholders can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders' ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE

Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "**The Issue**" beginning on mentioned above.

➢ Fractional Entitlements

Since the Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 07 (seven) Rights Equity Shares for every 10 (ten) Equity Shares held as on the Record Date, there could be a possibility of fractional entitlements arising. As per SEBI Rights Issue Circulars, For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is such that the Rights Entitlement results in a fraction, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement.. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any. Further, the Eligible Equity Shareholders holding less than 2 (two) Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

➢ Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank pari-passu with the existing Equity Shares, in all respects including dividends.

➢ Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited through letter bearing reference number LOD/RIGHT/HC/FIP/217/2025-26 dated May 20, 2025. Our Company will apply to BSE for final approvals for the listing and trading of the Equity Shares subsequent to the Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 511571) under the ISIN: INE754C01010. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the regular ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within fifteen days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within fifteen days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fifteenth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

➢ **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see "**Capital Structure - Intention and extent of participation by our Promoter**" mentioned above.

➢ **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

a. The right to receive dividend, if declared;
b. The right to receive surplus on liquidation;
c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
d. The right to free transferability of Equity Shares;
e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act,2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

➢ **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

➢ **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

➢ **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangement for disposal of odd lots is required.

- **Notices**

In accordance with the SEBI ICDR Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation and one Telugu language national daily newspaper with wide circulation being the regional language of Hyderabad, where our Registered Office is situated.

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/ Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.rcmcdelhi.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at email id:

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENT	**WEDNESDAY, JUNE 18, 2025**
ISSUE OPENING DATE	**FRIDAY, JUNE 20, 2025**
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	**MONDAY, JUNE 30, 2025**
LAST DATE FOR RECEIVING REQUESTS FOR APPLICATION FORM AND RIGHTS ENTITLEMENT LETTER	**TUESDAY, JULY 1, 2025**
ISSUE CLOSING DATE*	**FRIDAY, JULY 4, 2025**
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	**THURSDAY, JULY 10, 2025**
DATE OF ALLOTMENT (ON OR ABOUT)	**FRIDAY, JULY 11, 2025**
DATE OF CREDIT (ON OR ABOUT)	**MONDAY, JULY 14, 2025**
DATE OF LISTING (ON OR ABOUT)	**WEDNESDAY, JULY 16, 2025**

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than July 01, 2025, being two Working Days prior to the Issue Closing Date i.e., July 04, 2025, 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.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.

b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above.

   If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

c) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

d) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

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 Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through Unblocking amounts blocked using ASBA facility.

- **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

- **Receipt of the Equity Shares in Dematerialized Form**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated August 10, 2015 with NSDL and an agreement dated August 03, 2023 with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Shareholders having various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a- vis such information with the Shareholders depository participant, would rest with the Shareholders. Shareholders should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders' depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
5. The Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by e-mail and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

As a matter of abundant caution, attention of the Shareholders is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 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 ₹ 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 ₹ 0.5 crore or with both.

XIV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board of Directors within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application moneys are refunded on account of non-listing, undersubscription etc, other than as disclosed in accordance with Regulation 56 of the SEBI ICDR Regulations.
5. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
6. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
7. Adequate arrangements shall be made to collect all ASBA Applications.
8. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XV. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1) Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2) All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "SOM DATT FINANCE CORPORATION LIMITED – Rights Issue" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

RCMC SHARE REGISTRY PRIVATE LIMITED
Address:- B-25/1, 1st Floor, Okhla Industrial Area, Phase-
II, New Delhi-110020
Telephone: 011-26387320, 21; Mobile: 8527695125
Email: investor.services@rcmcdelhi.com,
Website: www.rcmcdelhi.com
Investor grievance e-mail:
investor.services@rcmcdelhi.com
SEBI Registration No.: INR000000429;
Contact Person: Mr. Ravinder Dua

3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.rcmcdelhi.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is investor.services@rcmcdelhi.com.

4) The Shareholders can visit following links for the below-mentioned purposes:

a) Frequently asked questions and online/ electronic dedicated Shareholder helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.rcmcdelhi.com

b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: wwwsomdattfin.com

c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.rcmcdelhi.com
Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders at email id at investor.services@rcmcdelhi.com

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

(THIS SPACE IS INTENTIONALLY LEFT BLANK)

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 Foreign Investment Promotion Board. 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 through the FDI Policy (defined below).

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 Policy"), 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 Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government 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 Policy, 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 falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

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 the issue as an incorporated non-resident must do so in accordance with the FDI Policy 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 Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

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

SECTION IX – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

ANNEXURE

AUDITED FINANCIAL RESULTS FOR PERIOD ENDED MARCH 31, 2025

D. S. TALWAR & CO.

CHARTERED ACCOUNTANTS
S - 58, Greater Kailash-II, New Delhi – 110048
Phone: 46109229
Email: v_dst@yahoo.co.in

Independent Auditor's Report on the audit of Quarterly and Year to date Financial Results of SOM DATT FINANCE CORPORATION LIMITED pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Board of Directors of
SOM DATT FINANCE CORPORATION LIMITED

Report on the Audit of Financial Results

Opinion

We have audited the accompanying Statement of Quarterly and Year to Date Financial Results of SOM DATT FINANCE CORPORATION LIMITED (the "Company"), for the three months and year ended March 31, 2025 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the statement:

a. Is presented in accordance with the requirements of Regulation 33 of the Listing Regulations; and

b. gives a true and fair view in conformity with Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34") prescribed under Section 133 of the Companies Act 2013 (the "Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India of the net loss and other comprehensive loss and other financial information of the Company for the three months and year ended March 31, 2025.

Basis for Opinion

We conducted our audit of the Statement in accordance with the Standards on Auditing ("SA"s) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results 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 ethical requirements that are relevant to our audit of the Financial Results under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Financial Results

This Statement has been prepared on the basis of annual financial statements for the year ended March 31, 2025. The Company's Board of Directors are responsible for the preparation and presentation of the Financial Results that give a true and fair view of the net loss and other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder

D.S. TALWAR & CO. New Delhi Chartered Accountants and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Results

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

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

• Identify and assess the risks of material misstatement of the Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.

• Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

• Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our

New Delhi
Chartered Accountants

conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the Standalone Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

• Obtain sufficient appropriate audit evidence regarding the Financial Results of the Company to express an opinion on the Financial Results.

Materiality is the magnitude of misstatements in the Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Results 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 Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For D.S. Talwar & CO.
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 000993N

Shradha Talwar
Shradha Talwar
(Partner)
Membership No. 514698

D.S. TALWAR & CO. New Delhi Chartered Accountants

Dated:28/05/2025
UDIN: **25514698BMMMVC4613**

Som Datt Finance Corporation Limited

CIN: L65921TS1993PLC188494

Statement of Financial Results for the Quarter and Year Ended March 31, 2025

(All amounts are in ₹ lakhs, except otherwise stated)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		31-Mar-25	31-Dec-24	31-Mar-24	31-Mar-25	31-Mar-24
		Audited (Refer Note 6)	Un-Audited	Audited (Refer Note 6)	Audited	Audited
	Revenue from operations					
(i)	Interest income	-	-	0.21	0.08	1.90
(ii)	Dividend income	6.83	5.46	7.58	31.23	38.05
(iii)	Net gain/(loss) on fair value changes	(379.81)	(432.22)	354.55	(333.79)	1,463.01
I	**Total revenue from operations**	(372.98)	(426.76)	362.34	(302.48)	1,502.95
II	Other income	0.27	-	-	0.27	-
III	**Total Income (I+II)**	**(372.71)**	**(426.76)**	**362.34**	**(302.21)**	**1,502.95**
	Expenses					
(i)	Finance cost	0.01	-	10.79	0.01	10.79
(ii)	Fees and commision expense	1.29	1.37	3.37	5.23	7.63
(iii)	Employee benefits expense	57.38	53.06	37.05	203.86	90.54
(iv)	Depreciation and amortization expense	0.29	0.20	0.28	1.00	1.07
(v)	Other expenses	18.70	30.57	9.27	69.58	33.97
IV	**Total expenses**	**77.67**	**85.20**	**60.76**	**279.68**	**144.00**
V	**Profit/(Loss) before exceptional items and tax (III-IV)**	**(450.38)**	**(511.96)**	**301.58**	**(581.89)**	**1,358.95**
VI	Exceptional items	-	-	-	-	-
VII	**Profit/(Loss) before tax and after exceptional items (V-**	**(450.38)**	**(511.96)**	**301.58**	**(581.89)**	**1,358.95**
	Tax expenses					
(i)	Current tax	-	(66.48)	52.66	-	237.52
(ii)	MAT Credit Entitlement	-	66.48	(52.66)	-	(237.52)
(iii)	Adjustment of tax relating to earlier years	(0.08)	(0.06)	(0.05)	(0.14)	0.01
(iiii)	Deferred tax	(72.41)	(83.25)	28.11	(39.51)	149.21
VIII	**Total tax expenses**	**(72.49)**	**(83.31)**	**28.06**	**(39.65)**	**149.22**
IX	**Profit/(Loss) for the period (VII-VIII)**	**(377.89)**	**(428.65)**	**273.52**	**(542.24)**	**1,209.73**
	Other comprehensive income					
(i)	Items that will not be reclassified to profit or loss in subsequent years:					
	- Remeasurement of post employment benefit obligations	(0.41)	(0.07)	(0.21)	(0.48)	(0.21)
(ii)	Income tax relating to items that will not be reclassified to profit or loss	(0.01)	0.01	0.03	-	0.03
X	**Total other comprehensive income/(loss)**	**(0.42)**	**(0.06)**	**(0.18)**	**(0.48)**	**(0.18)**
XI	**Total comprehensive income/ (loss) for the period/ year (IX+X)**	**(378.31)**	**(428.71)**	**273.34**	**(542.72)**	**1,209.56**
	Basic/ Diluted Earnings Per Share (FV of ₹10/- each)					
(i)	Basic	(3.78)	(4.28)	2.74	(5.42)	12.09
(ii)	Diluted	(3.78)	(4.28)	2.74	(5.42)	12.09

See accompanying notes to financial results.

For D.S. Talwar & Co.
Chartered Accountants
Firm's Registration No.: 000993N

Shradha Talwar
Partner
Membership No.: 514698
Place: New Delhi
Date: May 28, 2025

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Subba Rao Veeravenkata Meka
(Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: May 28, 2025

D.S. TALWAR & CO. New Delhi Chartered Accountants

Som Datt Finance Corporation Ltd. Hyderabad

Regd. Office: 8-2-502/1/A, Ground Floor, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad - 500034, Telangana
Website: www.somdattfin.com | Email: compliancesdfl@gmail.com

Som Datt Finance Corporation Limited

CIN: L65921TS1993PLC188494

Statement of Assets and Liabilities (Balance Sheet) as at March 31, 2025

(All amounts are in ₹ lakhs, except otherwise stated)

Sr. No.	Particulars	As at March 31, 2025 (Audited)	As at March 31, 2024 (Audited)
	ASSETS		
	Financial assets		
(i)	Cash and cash equivalents	19.68	186.08
(ii)	Investments	2,693.85	3,220.26
(iii)	Other financial assets	5.25	-
		2,718.78	3,406.34
	Non-financial assets		
(i)	Deferred tax assets (Net)	181.14	141.63
(ii)	Property, plant and equipment	3.37	2.23
(iii)	Intangible assets under development	-	2.95
(iv)	Other non-financial assets	118.88	15.98
		303.39	162.79
	Total assets	**3,022.17**	**3,569.13**
	LIABILITIES AND EQUITY		
	Liabilities		
	Financial liabilities		
(i)	Payables		
	(a) total outstanding dues of micro enterprises and small enterprises	-	-
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	9.45	-
(ii)	Other financial liabilities	6.88	13.52
		16.33	13.52
	Non-financial liabilities		
(i)	Current tax liabilities (Net)	-	-
(ii)	Provisions	21.69	7.01
(iii)	Other non-financial liabilities	6.68	3.34
		28.37	10.35
	Equity		
(i)	Equity share capital	1,000.80	1,000.80
(ii)	Other equity	1,976.67	2,544.46
		2,977.47	3,545.26
	Total liabilities and equity	**3,022.17**	**3,569.13**

See accompanying notes to financial results.

For D.S. Talwar & Co.
Chartered Accountants
Firm's Registration No.: 000993N

Shradha Talwar

Shradha Talwar
Partner
Membership No.: 514698
Place: New Delhi
Date: May 28, 2025

D.S. TALWAR & CO. New Delhi Chartered Accountants

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Subba Rao Veeravenkata Meka
(Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: May 28, 2025

Som Datt Finance Corporation Ltd. Hyderabad

Regd. Office: 8-2-502/1/A, Ground Floor, JIVI Towers, Road No. 7, Banjara Hills, Hyderabad - 500034, Telangana
Website: www.somdattfin.com | Email: compliancesdfl@gmail.com

Statement of Cash Flows for the Year Ended March 31, 2025
(All amounts are in ₹ lakhs, except otherwise stated)

Sr. No.	Particulars	For the year ended March 31, 2025 (Audited)	For the year ended March 31, 2024 (Audited)
A.	**Cash flows from operating activities**		
	Profit / (Loss) before tax	(581.89)	1,358.95
	Adjustment to reconcile profit before tax to cash provided by operating activities		
	Depreciation	1.00	1.07
	Impairment loss on fixed assets write off	1.36	-
	Impairment loss on intangible assets under development write off	2.95	-
	Change in fair value of investment	491.88	(1,360.06)
	Operating profit before working capital changes	(84.70)	(0.04)
	Adjustment for:		
	(Increase)/decrease in trade receivables	-	-
	(Increase)/decrease in other financial assets	(5.25)	2.88
	(Increase)/decrease in other non-financial assets	(102.89)	(15.93)
	Increase/(decrease) in trade payables and other payable	9.45	2.06
	Increase/(decrease) in other financial liability	(6.64)	5.38
	Increase/(decrease) in provisions	14.20	5.34
	Increase/(decrease) in other non-financial liabilities	3.34	2.38
		(172.49)	**2.07**
	Income tax paid (net of refunds)	0.14	(244.42)
	Net cash generated from operating activities	**(172.35)**	**(242.35)**
B.	**Cash flows from investing activities**		
	Purchase of property, plant and equipment	(3.51)	(0.42)
	Purchase of intangible assets under development	-	(2.95)
	(Increase)/Decrease in investment in equity instruments (net)	34.53	274.93
	Net cash (used in)/ generated from investing activities	**31.02**	**271.56**
C.	**Cash flows from financing activities**		
	Share issue expenses	(25.07)	-
	Net cash generated from financing activities	**(25.07)**	-
D.	**Net increase / (decrease) in cash and cash equivalents**	**(166.40)**	**29.21**
	Cash and cash equivalents at beginning of the year	186.08	156.87
	Cash and cash equivalents at end of the year	**19.68**	**186.08**

See accompanying notes to financial results.

For D.S. Talwar & Co.
Chartered Accountants
Firm's Registration No.: 000993N

Shradha Talwar
Partner
Membership No.: 514698
Place: New Delhi
Date: May 28, 2025

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

~~Subba Rao~~ Veeravenkata Meka
(Venkat Subbarao)
Managing Director
DIN: 07173955
Place: Hyderabad
Date: May 28, 2025

Notes:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Som Datt Finance Corporation Limited ("the Company") at their respective meetings held on May 28, 2025, and are subjected to audit by the statutory auditors.

2. These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India and in accordance with the circulars, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time.

3. The Company is engaged primarily in NBFC business. The operations of the Company fall under 'financing activities' which is considered to be the only reportable segment in accordance with the provisions of Ind AS 108, 'Operating Segments'. The Company operates in a single geographical segment, i.e., 'domestic'.

4. Pursuant to the No Objection of RBI's letter dated January 25, 2024, and Special Resolution passed by the shareholders by way of postal ballot on March 14, 2024, the Company had applied to Regional Director, Northern Region, Ministry of Corporate Affairs, New Delhi, for shifting of Registered Office from 'National Capital Territory (NCT) of Delhi' to the 'State of Telangana'. The Company received this approval vide Company Application no. AA7280752/13(4)/RD(NR)/2024/3298, and order dated June 24, 2024. Subsequently, post receiving the necessary approvals, the Registered Office has been shifted to "8-2-502/1/A, Ground Floor, JIVI Towers, Road No.7, Banjara Hills, Hyderabad, Telangana - 500034".

5. For the year ended March 31, 2025, the Company recognised a net unrealised loss of ₹491.88 lakhs due to adverse movements in market prices of its equity investments. These losses are notional in nature and have arisen from the fair valuation of financial instruments held as at the reporting date, in accordance with Ind AS 109. In addition, the Company recognised a realised gain of ₹158.09 lakhs during the year on sale of certain equity investments. Both the unrealised losses and realised gains have been presented under 'Net gain/(loss) on fair value changes' in the Statement of Profit & Loss, as per the requirements of Ind AS 109 and Schedule III of the Companies Act, 2013.

6. The figures for the quarter ended March 31, 2025 and March 31, 2024 are the balancing figures between audited figures in respect of the full financial year and published year-to-date unaudited figures up to the end of the third quarter of the respective financial year, which were subject to limited review by the statutory auditors.

7. Figures for the previous quarters/periods have been regrouped/reclassified, wherever necessary, to correspond with the current period's classifications/disclosures. There may be minor rounding-off variances as figures are converted into lakhs.

8. Pursuant to the approval of the Board of Directors at its meeting held on November 05, 2024, the Company is in the process of raising equity share capital of up to ₹5,000 lakhs by way of a rights issue. In this regard, the Company has filed its Draft Letter of Offer with BSE Limited and received its in-principle approval dated May 20, 2025.

For D.S. Talwar & Co.
Chartered Accountants
Firm's Registration No.: 000993N

Shradha

D.S. TALWAR & CO. New Delhi Chartered Accountants

Shradha Talwar
Partner
Membership No.: 514698
Place: New Delhi
Date: May 28, 2025

For and on behalf of the Board of Directors of
Som Datt Finance Corporation Limited

Som Datt Finance Corporation Ltd. Hyderabad

Subba Rao Veeravenkata Meka
(Venkat Subbarao)
DIN: 07173955
Place: Hyderabad
Date: May 28, 2025

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at www.somdattfin.com in from the date of this Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

(i) Registrar Agreement dated March 19, 2025 between our Company and the Registrar to the Issue.
(ii) Bankers to the Issue Agreement dated June 03, 2025 amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.
(iii) Tripartite Agreement dated January 12, 2001 between our Company, NSDL and the Registrar to the Company.
(iv) Tripartite Agreement dated January 13, 2001 between our Company, CDSL and the Registrar to the Company.

2. Material Documents

i. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
ii. Resolutions of the Board of Directors dated November 5, 2024.in relation to the Issue and other related matters.
iii. Copies of Annual Reports of our Company for the Financial Year ending March 31, 2024, March 31, 2023, March 31, 2022.
iv. Copy of Audit Report of our Company for the quarter and year ended March 31, 2025.
v. Copy of the Resolution of Board of Directors dated May 28, 2025, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
vi. Resolution of our Board of Directors dated June 09, 2025 approving the Letter of Offer.
vii. Subscription Intent Letters dated March 27, 2025 issued by our Promoters.
viii. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Legal Advisor to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities.
ix. Statement of Tax Benefits dated March 27, 2025 for our Company from the Statutory Auditors of our Company.
x. Audit Report for financial year ending on March 31, 2025, March 31, 2024, March 31, 2023 and March 31, 2022.
xi. Examination Report dated March 27, 2025 by the Statutory Auditors providing restated accounts for financial years ending on March 31, 2024, March 31, 2023 and March 31, 2022 and for nine months ended December 31, 2024.
xii. Audited financial results along with auditor's report for the quarter and year ended March 31, 2025.
xiii. In-principle approval letter issued by BSE dated May 20, 2025.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND KEY MANAGERIAL PERSONNEL OF OUR COMPANY

Sd/- Dr Bhaskara Rao Bollineni (Chairman & Non-Executive Director)	Sd/- Subba Rao Veeravenkata Meka (Managing Director)
Sd/- Bhavanam Ruthvik Reddy (Chief Executive Officer & Whole Time Director)	Sd/- Rajvir Singh Chhillar (Non-Executive Independent Director)
Sd/- Jayanthi Talluri (Non-Executive Independent Director)	Sd/- Venkataramana Dhulipala (Non-Executive Independent Director)
Sd/- Neha Agarwal (Company Secretary and Compliance Officer)	Sd/- Shashank Shankpal (Chief Financial Officer)

Date: June 09, 2025
Place: Hyderabad