Letter of Offer
May 2, 2022
For Eligible Equity Shareholders only

N.C.L. RESEARCH AND FINANCIAL SERVICES LIMITED

Corporate Identification Number: L65921MH1985PLC284739

Our Company was originally incorporated as "Navneet Commercial Company Limited" on February 4, 1985 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 7001 of 1985 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. We received Certificate of Commencement of Business dated April 15, 1985 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, the name of our Company was changed to "N.C.L. Research And Financial Services Limited" and a fresh Certificate of Incorporation consequent upon change of name was issued on September 9, 1992 by the Registrar of Companies, Uttar Pradesh, Kanpur.

Registered Office: 3rd Floor, Bhagyodaya Building, 79 Nagindas Master Road, Fort, Mumbai - 400023, Maharashtra, India
Tel: +91 22 2270 3249; **Website:** www.nclfin.com; **E-mail:** ncl.research@gmail.com
Contact Person: Priya Mittal, Company Secretary and Compliance Officer

PROMOTER OF OUR COMPANY: MR. VIJAY J. PODDAR

FOR PRIVATE CIRCULATION TO ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY

WILFUL DEFAULTER OR A FRAUDULENT BORROWER

Neither our Company nor our Promoter or any of our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrower.

ISSUE OF UP TO 48,86,28,000 EQUITY SHARES WITH A FACE VALUE OF ₹ 1/- EACH ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹1/- PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹NIL PER RIGHTS EQUITY SHARE) FOR AN AMOUNT AGGREGATING UPTO ₹4,886.28 LAKHS ON RIGHTS BASIS IN THE RATIO OF 21 RIGHTS EQUITY SHARES FOR EVERY 25 FULLY PAID UP EQUITY SHARES) HELD BY THE EQUITY SHAREHOLDERS ON THE RECORD DATE, I.E. MAY 9, 2022 . THE ISSUE PRICE IS 1 TIME OF THE FACE VALUE OF THE RIGHTS EQUITY SHARES.

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 of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor 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 section "Risk Factors" on page 19 before making an investment in the 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, that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares of our Company are listed on the BSE Limited ("BSE") the ("Stock Exchange"). Our Company has received "in-principle" approvals from BSE for listing the Rights Equity Shares through their letter dated April 11, 2022. For the purposes of the Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTAR TO THE ISSUE
INVENTURE MERCHANT BANKER SERVICES PRIVATE LIMITED 2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End), Western Express Highway, Andheri (East), Mumbai – 400 069, Maharashtra, India. **Tel No**: +91 22 4075 1500 **Email**: compliance@inventuremerchantbanker.com **Investor Grievance Email**: redressal@inventuremerchantbanker.com **Website**: www.inventuremerchantbanker.com **SEBI Registration No**: INM000012003 **Contact Person**: Arvind Gala	**PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED** 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011, Maharashtra, India **Tel No.:** +91 22 2301 2518 / 8261 **Email:** support@purvashare.com **Investor Grievance Email:** support@purvashare.com **Website:** www.purvashare.com **SEBI Registration No:** INR000001112 **Contact Person:** Deepali Dhuri, Compliance Officer

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON#
MONDAY, MAY 16, 2022	**MONDAY, MAY 23, 2022**	**FRIDAY, MAY 27, 2022**

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

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

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SECTION I – GENERAL
DEFINITIONS AND ABBREVIATIONS

This Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Company Related Terms

Term	Description
"N.C.L. Research And Financial Services Limited", "BLL" or "our Company" or "the Issuer'	Unless the context otherwise requires, refers to N.C.L. Research And Financial Services Limited, a Company incorporated under the Companies Act, 1956 and having its registered office at 3rd Floor, Bhagyodaya Building, 79 Nagindas Master Road, Fort, Mumbai - 400023, Maharashtra, India.
"we", "us", or "our"	Unless the context otherwise indicates or implies, our Company.
Annual Financial Statements	The audited financial statements of the Company as at and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, which comprises the balance sheet as at March 31, 2021, March 31, 2020 and March 31, 2019, respectively, and the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
AOA/Articles / Articles of Association	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Board/ Board of Directors / Our Board	The Board of Directors of our Company, including all duly constituted Committees thereof.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time, unless otherwise specified.
Equity Shareholders	The holders of the Equity Shares.
Equity Shares/Shares	The equity shares of our Company of a face value of ₹1.00 each unless otherwise specified in the context thereof.
Financial Statements	Restated Financial Statements for FY 2019, FY 2020 and FY 2021 and Interim Audited Financial Statements for 9 months period ended December 31, 2021.
Limited Review	Limited Reviewed Financial Results for the 9 months period ended December 31, 2021
Independent Directors	Independent Directors on our Board, and 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 51.
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations.
Promoter	Vijay J. Poddar
Registered Office	The registered office of our Company situated at 3rd Floor, Bhagyodaya Building, 79 Nagindas Master Road, Fort, Mumbai - 400023, Maharashtra, India.
Registrar of Companies / RoC	Registrar of Companies, Mumbai, Maharashtra
Statutory Auditor	The Statutory Auditor of our Company, being M/s. DBS & Associates, Chartered Accountants.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot / Allotment /Allotted	Allotment of Rights Equity Shares pursuant to the Issue
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer, including an ASBA Investor
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with the SCSB
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application
ASBA Applicant(s) / ASBA Investor	Eligible Equity Shareholders who make an application to subscribe to the Issue through ASBA process.
Bankers to the Issue/ Public Issue Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Axis Bank Account.
Banker to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Managers, the Registrar to the Issue and the Stock Exchanges, a list of which is available on SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
Designated Branches	Such branches of the SCSBs which shall collect the Applications, as the case may be, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time
Designated Stock Exchange	BSE Limited
Draft Letter of Offer	The draft letter of offer dated March 16, 2022 filed with BSE Limited in accordance with the SEBI ICDR Regulations
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Rights Issue Account and Refund Account will be opened, in this case being, Axis Bank Limited.
Eligible Equity Shareholders	Holder(s) of the Equity Shares as on the Record Date

Term	Description
Equity Shareholder/ Shareholder	Means a holder of Equity Shares of our Company
Investor(s)	Equity Shareholders as on Record Date and/or Renouncees applying in the Issue.
Issue	Issue of up to 48,86,28,000 Equity Shares of face value of ₹ 1 each of our Company for cash at a price of ₹ 1 per Rights Equity Share (including a premium of ₹ Nil per Rights Equity Share) aggregating up to ₹ 4,886.28 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 21 Rights Equity Shares for every 25 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date
Issue Closing Date	May 27, 2022
Issue Opening Date	May 16, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹ 1.00 per Rights Equity Share
Issue Proceeds	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹4,886.28 lakhs
Lead Manager	Inventure Merchant Banker Services Private Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchanges after incorporating observations received from Stock Exchange on the Draft Letter of Offer
Net Proceeds	Issue Proceeds less Issue related expenses. For details, see "*Objects of the Issue*" on page 38.
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees.
On Market Renunciation	The renouncement 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, circulars issued by the Stock Exchanges from time to time and other applicable laws, on or before May 23, 2022.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Letter of Offer
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being Axis Bank Limited
Registrar to the Issue / Registrar	Purva Sharegistry (India) Private Limited
Renouncee(s)	Person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being 21 Rights Equity Shares for every 25 Equity Shares held by an Eligible Equity Shareholder. The Rights Entitlements with a separate ISIN: INE132F20012 will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
Rights Issue Account	The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Rights Issue Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, Axis Bank Limited.

Term	Description
SCSB(s)	Self certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful defaulter or a Fraudulent Borrower	means a person or an issuer who or which is categorized as a wilful defaulter or 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 wilful defaulters or fraudulent borrowers issued by the Reserve Bank of India
Working Day(s)	Working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical / Industry Related Terms /Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standards	Accounting Standards as issued by the Institute of Chartered Accountants of India
ASBA	Applications Supported by Blocked Amount
AY	Assessment Year
B. A.	Bachelor of Arts
B.Com	Bachelor of Commerce
Banking Regulation Act	Banking Regulation Act, 1949
BE	Bachelor Degree in Engineering
BIFR	Board of Industrial and Financial Reconstruction
Bn	Billion
BSc	Bachelor Degree in Science
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CAGR	Compounded Annual Growth Rate
CC	Cash Credit
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Company Identification Number
Companies Act 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder
Copyright Act	The Copyright Act, 1957
CS	Company Secretary
CSR	Corporate Social Responsibility
DB	Designated Branch
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP	Depository Participant
DP ID	Depository Participant's identity number
EBITDA	Earnings before interest, depreciation, tax, amortization and extraordinary items

Term	Description
ECB	External Commercial Borrowings
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Funds and Miscellaneous Provisions Act, 1952
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
ESIC	Employees' State Insurance Corporation
ESOP	Employee Stock Ownership Plan
ESPS	Employee Stock Purchase Scheme
F&NG	Father and Natural Guardian
F&O	Futures and Options
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time
FII(s)	Foreign Institutional Investors as defined under SEBI FPI Regulations
Financial Year / Fiscal / Fiscal Year / FY	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FIPB	Foreign Investment Promotion Board
FIs	Financial Institutions
FMC	Forward Market Commission
Foreign Portfolio Investor or FPIs	A foreign portfolio investor, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
FTA	The Foreign Trade (Development and Regulation) Act, 1992
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors), 2000, as amended from time to time
GDP	Gross Domestic Product
GoI/Government	Government of India
GST	Goods & Services Tax
HNI	High Net worth Individual
HUF(s)	Hindu Undivided Family(ies)
I.T. Act	Income Tax Act, 1961, as amended from time to time
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
IMF	International Monetary Fund
Income Tax Act	Income Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
Indian GAAP	Generally Accepted Accounting Principles in India
INR or Rupee or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India
Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.
IPO	Initial Public Offering
IPR	Intellectual Property Rights
IRDA	Insurance Regulatory and Development Authority
ISIN	International Securities Identification Number
ISO	International Standards Organization
IT Act	Income Tax Act,1961 as amended from time to time except as stated otherwise
JV	Joint Venture
KMP	Key Managerial Personnel

Term	Description
KW	Kilo Watt
L/C	Letter of Credit
LIBOR	London interbank offered rate
Ltd.	Limited
MAPIN	Market Participants and Investors' Integrated Database
MCA	The Ministry of Corporate Affairs, GoI
MCI	Ministry of Commerce and Industry, GoI
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mn	Million
MNC	Multi National Company
MoEF	Ministry of Environment and Forests
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
NA	Not Applicable
NAV	Net asset value
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate of the paid-up share capital, securities premium account and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and debit balance of the profit and loss account
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
NIFTY	National Stock Exchange Sensitive Index
No.	Number
NOC	No Objection Certificate
Non Resident	A person resident outside India, as defined under FEMA Regulations
Non-Resident Indian/ NRI	A person resident outside India, who is a citizen of India or a Person of Indian Origin as defined under FEMA Regulations, as amended
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NPV	Net Present Value
NR/ Non-resident	A person resident outside India, as defined under the FEMA and includes a Non-resident Indian
NRE Account	Non-Resident External Account established and operated in accordance with the FEMA
NRO Account	Non-Resident Ordinary Account established and operated in accordance with the FEMA
NSDL	National Securities Depository Limited
BSE	The BSE Limited
NTA	Net Tangible Assets
NWR	Negotiable Warehouse Receipt
OCB	Overseas Corporate Bodies
OD	Overdraft
Overseas Corporate Body / OCB	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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000. **OCBs are not allowed to invest in this Issue.**
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAC	Persons Acting in Concert
PAN	Permanent account number
PAT	Profit after tax
Patents Act	Patents Act, 1970
PBT	Profit Before Tax

Term	Description
QFI(s)	Qualified Foreign Investor(s) as defined under the SEBI FPI Regulations
RBI	The Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934 , as amended from time to time
RERD Act	Real Estate (Regulation and Development) Act, 2016
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra, Mumbai
ROE	Return on Equity
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI (FPI) Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI (ICDR) Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including instructions and clarifications issued by SEBI from time to time
SEBI (VCF) Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
Sec.	Section
Securities Act	The U.S Securities Act as amended from time to time
SENSEX	Bombay Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SME	Small and Medium Enterprise
SSI	Small Scale Industry
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
TPH	Tonnes per hour
Trademarks Act	The Trademarks Act, 1999
TRS	Transaction Registration Slip
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	The United States Securities Act, 1933
u/s	Under Section
UIN	Unique Identification Number
UOI	Union of India
US$ or USD or US Dollar	United States Dollar, the official currency of the United States of America
USA or U.S. or US	United States of America
VAT	Value Added Tax
VCF	Venture Capital Funds
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f	With effect from
Water Act	Water (Prevention and Control of Pollution) Act, 1974
WDV	Written Down Value
WTD	Whole-time Director
YoY	Year over year

NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Letter of Offer and the issue of the Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have an address in India. Those overseas Shareholders who do not update the records with their Indian address, prior to the date on which we propose to dispatch the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF, shall not be sent the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF.

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 Draft Letter of Offer was filed with BSE for its observations. Accordingly, the Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and in those circumstances the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute in or send the same into the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer/ letter of Offer/ Abridged Letter of Offer and the CAF is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that he is authorised to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF 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 CAF. A Shareholder may not renounce his entitlement to any person resident in the United States or any other jurisdiction where to do so would or might contravene local securities laws or regulations. Neither the delivery of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF 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 that the information contained herein is correct as at any time subsequent to this date.

The contents of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares or Rights Entitlements regarding the legality of an investment in the Rights Equity Shares or Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (***Securities Act***), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (***United States*** or ***U.S.***) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (***Regulation S***), except in a transaction exempt from the registration requirements of the Securities Act. The rights

referred to in the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF are being offered in India, but not in the United States. The offering to which the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Letter of Offer with the United States Securities and Exchange Commission.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions 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, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF 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 the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its 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 CAF is incomplete or acceptance of such CAF 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 CAF.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Letter of Offer, the terms "we", "us", "our", the "Company", "our Company", unless the context otherwise indicates or implies, refers to Parshva Enterprises Limited.

Use of Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the audited Financial Statements of our Company for the period ended 9 months period ended December 31, 2021 and Financial Years ended March 31, 2021, 2020 and 2019 which have been prepared in accordance with Indian Accounting Standard (Ind AS) and are included in this Letter of Offer. The financial year of our Company commences on April 1 and ends on March 31.

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.

Unless the context otherwise indicates, any percentage amounts, as set forth in the sections titled "Risk Factors" have been calculated on the basis of the Financial Statements of our Company prepared in accordance with Ind AS and the Companies Act, 2013.

Currency and units of presentation

In this Letter of Offer, unless the context otherwise requires, all references to (a) 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India; (b) 'US Dollars' or 'US$' or 'USD' or '$' are to United States Dollars, the official currency of the United States of America. All references to the word 'Lakh' or 'Lac' or 'Lacs', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Statements.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Letter of Offer has been obtained or derived from internal Company reports and industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although, our Company believes that industry data used in this Letter of Offer is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Letter of Offer that are not statements of historical facts constitute 'forward-looking statements'. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Letter of Offer regarding matters that are not historical facts. These forward looking statements and any other projections contained in this Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- general economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- Inability to identify or acquire new clients;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- the effect of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
- general social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business;
- developments affecting the Indian economy; and
- Inability to meet our obligations, including repayment, financial and other covenants under our debt financing arrangements.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer "*Risk Factors*" on page 19.

Forward looking statements reflects views as of the date of this Letter of Offer and not a guarantee of future performance. 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 future gains or losses could materially differ from those that have been estimated. Neither our Company / our Directors nor the Lead Manager, nor any of its affiliates 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 SEBI requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange.

SECTION II - SUMMARY OF THE OFFER DOCUMENT

A. Primary business of the Issuer and the industry:

Summary of Business:

We are a Non Deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFI activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 12.00041 dated February 26, 1998. As a Non-Banking Financial Company (NBFC) we are involved in providing financial services with a paramount focus on Micro, Small and Medium Enterprises (MSMEs) small and medium enterprises (SMEs), corporate and non-corporate sector. Our loan portfolio as of December 31, 2021, is ₹ 2,123.22 lakhs. We provide both secured and unsecured loans based on the risk profiles of the clients.

Our Company is also engaged in making investment in the form of Equity in various companies, both listed and unlisted. We are not bound by pre-defined restrictions in regards to our search for investment opportunities. We invest in companies in a variety of markets and stages.

Summary of Industry:

A General Overview of the NBFC sector

Introduction

Source:
https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=20262#:~:text=NBFCs'%20credit%20to%20Gross%20Domestic,India%2C%202019%2D20).

The Non-Banking Financial Companies (NBFC) sector in India has traversed highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. They consolidated their positions in the lending space following asset quality concerns for banks. NBFCs' credit to Gross Domestic Product (GDP) ratio increased from 8.6 per cent in 2012-13 to 12.2 per cent in 2018-19 before moderating slightly to 11.6 per cent in 2019-20 in the wake of the pandemic (Reserve Bank of India, 2019-20).

There were 9,507[2] NBFCs registered with the Reserve Bank as on January 31, 2021. In terms of distribution of number of companies, non-systemically important non-deposit taking NBFCs (NBFCs-ND) with an asset size of less than ₹500 crore have a preponderant share. When grouped in terms of their liability structure (public deposits being a source of funds), NBFCS are classified as deposit-taking NBFCs (NBFCs-D) or non-deposit taking NBFCs. The number of deposit-taking NBFCs (NBFCs-D) have gradually diminished and currently stands at 64, of which six have been prohibited from accepting further deposits under Section 45 MB of RBI Act, 1934. A non- deposit taking NBFC with asset size greater than ₹500 crore is considered systemically important (NBFCs-ND-SI). In terms of total assets, NBFCs-ND-SI constituted around 83 per cent of the total assets of the sector, while NBFCs-D accounted for 14.5 per cent and NBFCs-ND, 2.3 per cent at end-March 2020.

B. Names of the promoters

Vijay J. Poddar is the promoter of our Company.

C. Objects of the Issue:

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs upto)
1.	Augmenting the capital base of our Company	3,786.28

2.	General Corporate Purposes	950.00
3.	To meet Issue Expenses	150.00
	Total	**4,886.28**

D. Subscription to the Issue by our Promoters and Promoter Group

- The Promoters and members of the Promoter Group of our Company do not intend to subscribe to their Rights Entitlement.
- The eligible members of our Promoter Group do not intend to subscribe for additional Equity Shares in the Rights Issue.

E. Summary of Financial Information:

(₹ in Lakhs)

Particulars	31.12.21	31.03.21	31.03.20	31.03.19
Share Capital	5,817.00	2,908.50	2,908.50	2,908.50
Net Worth	6,224.40	6,189.91	6,187.13	6,185.16
Revenue	128.33	185.79	244.47	339.71
Profit After Tax	34.49	1.11	1.55	11.21
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years in the ration of 1:1 and sub division of equity shares from ₹ 2 face value to ₹ 1)	0.01	0.0002	0.0003	0.0019
Net Asset Value/Book Value per Equity share (Considering bonus in all previous years in the ration of 86:1)	1.07	1.06	1.06	1.06
Total Borrowings	0.00	0.00	0.00	0.00

F. Summary of Outstanding Litigations:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax	2	74.15

For further details *regarding* the same, please refer to the chapter titled '*Outstanding Litigations and Material Developments*' beginning on page 106 of the Letter of Offer.

G. Risk Factors:

Please see '*Risk Factors*' beginning on page 19.

H. Summary of Contingent Liabilities of our Company:

Our Company has following contingent liabilities as of March 31, 2021:

Name of Statue	Nature of Dues	Disputed Amount (Rs.)	Financial Year for which it relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	11,53,010/-	2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	62,61,377/-	2018-19	CIT (Appeal)

I. Summary of Related Party Transactions:

For details of the related party transactions, as reported in the Financial Statements, see "*Financial Statements*" on page 61.

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

Other than as mentioned below, our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Letter of Offer:

Sr. No.	No. of Equity Shares Issued	Mode of Acquisition*	Date of Allotment
1	29,08,50,000	Bonus Issue in the Ratio of 1:1	December 6, 2021

K. Any split/consolidation of equity shares in the last one year.

Our Equity Shareholders pursuant to a special resolution passed at the extraordinary general meeting held on November 23, 2021 has sub divided the equity shares from ₹ 2 face value to ₹ 1.

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. The risks described below are not the only ones relevant to us, the Equity Shares, the industry in which we operate or the regions in which we operate. If one, or any combination, of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, financial condition and prospects could suffer and the trading price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. Further, some events may be material collectively rather than individually.

We have described the risks and uncertainties that our management believes are material but the risks set out in this Letter of Offer may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. 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 the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences to you of an investment in the Issue.

This Letter of Offer also contains forward-looking statements, which refer to future events that may involve known and unknown risks, uncertainties and other factors, many of which may be beyond our control, and which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward Looking Statements" on page 15.

Unless otherwise stated, the financial information used in this section is derived from our Company's audited financial statements as of and for the three months period ended December 31, 2021 and audited financial statements as of and for the year ended March 31, 2021, 2020 and 2019.

INTERNAL RISKS

1. ***There are certain outstanding legal proceeding against our company which may adversely affect our business, financial condition and results of operations.***

There are certain proceedings pending at different levels of adjudication before various authorities, enquiry officers and appellate forums. Such proceedings could divert management time, attention and consume financial resources in their defense. Further, an adverse judgment in some of these proceedings could have an adverse impact on our business, financial condition and results of operations. A summary of the outstanding proceedings against our Company and Group Companies as disclosed in this Letter of Offer, to the extent quantifiable, have been set out below:

Nature of case	Number of cases	Amount involved (in ₹lakhs)
Company		
Direct Tax	2	74.15

The table above does not include those penalties, interests and costs, if any, which may be imposed or which may have been pleaded *but not quantified in the course of legal proceedings, or which the Court / Tribunal otherwise has the discretion to impose. The imposition and amount of such penalties / interests / costs are at the discretion of the court / tribunal where the case is pending. Such liability, if any, would crystallize only on the order of the tribunal where the case(s) is / are pending.*

For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 106 of this Letter of Offer.

2. ***Trading in the Equity Shares of our Company was suspended in the past and penalties were also imposed by BSE due to non compliances with various provisions of the SEBI (LODR) Regulations.***

Pursuant to directions received from SEBI, as a surveillance measure, trading was suspended by BSE w.e.f. January 7, 2015. The shares were suspended due to unusual price movement vis-à-vis preferential issue price and weak financials of the Company. The trading was suspended from January 7, 2015 to April 9, 2017. The suspension was revoked w.e.f. April 10, 2017. Further, fines were imposed by BSE and further promoter demat account was also frozen due to non payment of fines. The fines were imposed due to non compliances with various provisions of the SEBI (LODR) Regulations. There can be no assurance that such instances will not occur and future. Any suspension in trading will impact the ability to freely

trade in the equity shares of our Company. For further details, please refer to section titled "Outstanding Litigation and Material Developments" beginning on page 106 of this Letter of Offer.

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

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained / renewed over time and we may have to comply with certain conditions in relation to these approvals. In the past there have been delays in RBI Compliances and filings. There may also be instances where there are inadvertent errors in filings. Till date no penalty have been imposed by RBI on our Company. We cannot assure you that these filings and errors will not be subject to any penalties imposed by the relevant authority in this respect. Moreover the applicable requirements may change and we may not be aware of or may comply with all requirements all of the time. We are required to obtain and maintain a certificate of registration 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.

4. ***Our Audit Report for FY 2021 includes following remarks as "Emphasis of Matter".***

Our Auditor's report for the FY 2019, 2020 and 2021 and period ended December 31, 2021 contains certain observations as *"Emphasis of Matter"*

Period Ended December 31, 2021

As per Management explanation, the Company has not provided for interest receivable on loans given to some of it's' clients due to the request received from such Clients for waving off Interest for the reason of COVID-19 pandemic. However, we are not able to verify the same due to the lack of documentary evidence in support of not making provision for Interest on Loan.

Valuation of the unquoted investment is subject to the valuation by independent valuer. As per management explanation, they are under process to carry out fair valuation from registered valuer and therefore these are shown at its investment Value. Due to not availability of valuation report, we are not able to comment on the same.

FY 2021

We draw attention to Note 30 and Note 42 to the accompanying financial statements, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations. Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the Government and local administration, the audit processes were carried out based on the necessary records made available by the Management through digital medium.

- The Company is having investments in some of small cap illiquid stocks where either there is very thin trading or is no trading during the entire financial year. Even trading in some of these shares has been suspended by Stock Exchanges. The Company has valued these shares on last traded price on BSE/CSE and has not made any provision for the possible losses.
- The audited financial statement, valuation of the unquoted investments are subject to the valuation by independent valuer, as per management explanation they are under process to carrying out fair valuation from registered valuer , these are shown its investment value.

- Trade receivables amounting of Rs. 175.85 Lakh are receivable since long time. As per management explanation, these are recoverable and company is in process to recover. Similarly Other Advances (shown under other financial assets Rs. 601.89) amounting of Rs. 100.55 Lakh are receivable since long time. As per management explanation these are recoverable and company is in process to recover.

- Some of the balances of Trade Receivables, Deposits, Loans and Advances, Trade payable are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.

- Looking to the uncertainties associated with the nature and duration of this pandemic the eventual outcome of the impact of the global health pandemic may be different from those-estimated as on the date of approval of these financial results and the Company will closely monitor any material changes to the economic environment and their Impact on its business in the times to come.

FY 2020

Notes to the financial statements which describe the uncertainty related to the outcome of the pendency's of appeals and legal matters filed by the company as well as against the company.

During the year, the Company has incurred certain expenditure of revenue nature, adequate supporting in respect of some of them are not available, however in the opinion of the Board of Directors of the Company, the same is wholly and exclusively attributable to the business of the Company.

FY 2019

Notes to the financial statements which describe the uncertainty related to the outcome of the pendency's of appeals and legal matters filed by the company as well as against the company.

During the year, the Company has incurred certain expenditure of revenue nature, adequate supporting in respect of some of them are not available, however in the opinion of the Board of Directors of the Company, the same is wholly and exclusively attributable to the business of the Company.

The opinion of our auditor is not modified in respect of aforesaid matters.

5. ***Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which may expire and for which we may have to make an application for obtaining the approval or its renewal. We will be applying for certain approvals relating to our business. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulatory authority claims we have not complied, with these conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition, and results of operations. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. For more information about the licenses required in our business and the licenses and approvals applied for, please refer "*Government and Other Approvals*" on page 110 of this Letter of Offer, respectively.

6. ***Certain filings of our Company under the Companies Act have been filed post the prescribed date of filing. There may also be certain inadvertent errors in these filings.***

Certain filings of our Company under the Companies Act, including those in relation to issue and allotment of Equity Shares, changes in our management and such other filings have been filed post the prescribed date of filing under the Companies Act. There may also be instances where there are inadvertent errors in secretarial records and filings. We cannot assure you that these filings and errors will not be subject to any penalties imposed by the relevant authority in this respect.

7. ***We may be unsuccessful in protecting our intellectual property rights. Unauthorised use of our intellectual property may result in the development of products which compete with our products. We may also be subject to third-party claims of intellectual property infringement.***

Our intellectual property rights are important to our business. We rely on copyright and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect our intellectual property. Our Corporate logo is not registered and we do not enjoy the statutory protections accorded to a registered trademark and are subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted as and when applied. In the absence of such registration, competitors or other companies may challenge the

validity or scope of our intellectual property. These trademarks are integral to our business, and the loss of any of these intellectual property rights could have an adverse effect on our business.

8. ***We provide unsecured loans to our borrowers. If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.***

Our Company mainly provides unsecured loans i.e loans are provided without any security. Hence we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers, there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

9. ***Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.***

(₹ in lacs)

Cash flow from	FY 31.03.21	FY 31.03.20	FY 31.03.19
Cash generated/(used) in investing activities	-207.53	-206.30	-108.41

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet its capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flow, it may adversely affect our business and financial operations. For further details please refer to the section titled *'Financial Information'* beginning on page 61, of the Letter of Offer.

10. ***Our business is vulnerable to interest rate risk and volatility in interest rates which could adversely affect our income from our operations and adversely affect our financial performance and profitability.***

Our business is dependent on interest income from the loans disbursed. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

11. ***The small and medium scale enterprises to which we provide loans may not perform and we may not be able to control the non-performance of such companies. Further, the segment to which we cater are more likely to be affected by declining economic conditions than larger corporate borrowers***

A significant majority of our customer base belongs to the small and medium enterprises sector. We do not manage, operate or control such companies and have no control over their functions or operations. The repayment of the loans extended to such companies will depend to a significant extent on the specific management team of the relevant debtor company. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio, which could have a material and adverse effect on its results of operations and/or financial condition.

12. ***The continuing effect of the COVID-19 pandemic on our business and operations is highly uncertain and cannot be predicted.***

In the first half of 2020, COVID-19 spread to a majority of countries across the world, including India. The COVID-19 pandemic has had, and may continue to have, repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts and it is possible that the COVID-19 pandemic will cause a prolonged global economic crisis or recession.

In the event a member or members of our senior management team contract COVID-19, it may potentially affect our operations. Further, in the event any of our employees' contact COVID-19, we may be required to quarantine our employees and shut down our office. Risks arising on account of COVID-19 can also threaten the safe operation of our office, loss of life, injuries and impact the well-being of our employees. These risks could have an adverse effect on our

business, results of operations, cash flows and financial condition. At this point of time, our Company cannot predict by when the economy will resume to normalcy, or at all.

13. ***We do not own our Registered Office.***

We do not own the premises on which our Registered office is situated. We have taken our Registered on rental basis and the lease is in the name of our Managing Director. We cannot be sure of continuity of the said premises after expiry of the current rental period and if such agreement is not renewed, there may be temporary disruption in our operations due to relocation of our offices. Further, the terms and conditions on which the said premises may be renewed on rental basis may not be favourable to us.

14. ***We face intense competition in our businesses, which may limit our growth and prospects.***

Our Company faces significant competition from other big and small NBFC Companies. We compete on the basis of a number of factors, including execution, depth of product and service offerings, reputation and interest cost. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- Larger customer bases in and outside India; or
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

15. ***Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We have not paid any dividends since incorporation. Our future ability to pay dividends will depend on our earnings, financial condition and capital requirements. Dividends distributed by us will attract dividend distribution tax at rates applicable from time to time. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders.

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

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

We have entered into transactions with our promoters and our Promoter Group. While we believe that all such transactions have been conducted on an arm‘s length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For further details, please refer to the "*Financial Statements"* beginning on page 61 of this Letter of Offer.

17. ***Our success depends largely on our senior management and skilled employees and our ability to attract and retain them.***

Our success depends on the continued services and performance of the members of our senior management team and other key employees. Our continued success also depends upon our ability to attract and retain skilled staff, particularly managers and skilled workers. The loss of the services of our senior management or our inability to recruit, train or retain a sufficient number of skilled professionals could have a material adverse effect on our operations and profitability. Competition for senior management in our industry in which we operate is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. Moreover, we do not maintain "key man" life insurance policies for senior members of our management team or other key personnel. Any such loss of the services of our senior management personnel or skilled staff could adversely affect our business, prospects, financial condition and results of operation.

18. ***Our funding requirements and deployment of the issue proceeds are based on management estimates and have not been independently appraised by any bank or financial institution.***

Our funding requirements and the deployment of the proceeds of the Issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by bank or financial institution and are based on our estimates. In view of the competitive and dynamic nature of our business, we may have to revise our expenditure and fund requirements as a result of variations including in the cost structure, changes in estimates and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the expenditure for a particular purpose from its planned expenditure at the discretion of our Board. In addition, schedule of implementation as described herein are based on management's current expectations and are subject to change due to various factors some of which may not be in our control.

19. ***Our Company's management will have flexibility in utilizing the Net Proceeds. There is no monitoring agency appointed by our Company and the deployment of funds is at the discretion of our Management and our Board of Directors, though it shall be monitored by our Audit Committee.***

The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors and is not subject to monitoring by external independent agency. As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above ₹10,000.00 lakhs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Net Issue Proceeds to the BSE Limited and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Any inability on our part to effectively utilize the Issue proceeds could adversely affect our financials.

20. ***Any variation in the utilization of the Net Proceeds as disclosed in this Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

21. ***Certain data mentioned in this Letter of Offer has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

22. ***Our Company has not taken any insurance cover at present. Hnece we will not be able to protect us from all losses and may inturn adversely affect our financial condition.***

Our Company has not taken any insurance cover at present. Hence we don't have any coverage to cover any damage or loss suffered by us. To the extent that we suffer loss or damage that is not covered by insurance our results of operations or cash flow may be affected.

EXTERNAL RISKS

23. ***Political, economic or other factors that are beyond our control may have an adverse effect on our business and***

results of operations.

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 U.S. 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 adverse effects on the securities of companies in other countries, including India. A loss in 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, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

Our performance, growth and market price of our Equity Shares are and will be dependent on the health of the Indian economy. 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. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), 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, cash flows 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.

24. ***Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws, may adversely affect our business and financial results.***

Our business and financial performance could be adversely affected by any change in laws or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business including those relating to the industry in which we operate. There can be no assurance that the Government of India or state governments will not introduce new laws, regulations and policies which will require us to obtain additional approvals and licenses or impose onerous requirements on our business.

For example, the new Companies Act, 2013 contains significant changes to Indian company law, including in relation to the issue of capital by companies, disclosures in offer documents, related party transactions, corporate governance, audit matters, internal controls, shareholder class actions, restrictions on the number of layers of subsidiaries, prohibitions on loans to directors, insider trading and restrictions on directors and key management personnel from engaging in forward dealing. Moreover, effective April 1, 2014, companies exceeding certain net worth, revenue or profit thresholds are required to spend at least 2% of average net profits from the immediately preceding three financial years on corporate social responsibility projects, failing which an explanation is required to be provided in such companies' annual reports.

The Ministry of Finance has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. Subsequently, the Ministry of Finance, through a press release dated July 6, 2016, deferred the applicability of ICDS from April 1, 2015 to April 1, 2016 and is applicable from FY 2017 onwards and will have impact on computation of taxable income for FY 2017 onwards. ICDS deviates in several respects from concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. Such specific standards for computation of income taxes in India are relatively new, and the impact of the ICDS on our results of operations and financial condition is uncertain. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition going forward.

The Government of India has recently approved the adoption of a comprehensive national goods and services tax ("GST") regime that will combine taxes and levies by the Central and State Governments into a unified rate structure, with effect from July 1, 2017. Given the limited availability of information in the public domain concerning the GST, we cannot provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. 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. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

We have not determined the effect of such legislations on our business. In addition, unfavourable 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.

25. ***Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. All our directors and executive officers are residents of India and all of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("CPC") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI under the FEMA to execute such a judgment or to repatriate any amount recovered.

SECTION IV – INTRODUCTION

THE ISSUE

Following table summarises the present Issue in terms of this Letter of Offer:

Particulars	Details of Equity Shares
Rights Equity Shares being offered by our Company	**48,86,28,000 Equity Shares**
Rights Entitlement	21 Rights Equity Shares for every 25 fully paid-up Equity Shares held on the Record Date i.e. May 9, 2022
Record Date	May 9, 2022
Face Value per Rights Equity Shares	₹ 1/- per Equity Share
Issue Price per Rights Equity Share	₹1/- including a premium of ₹Nil per Rights Equity Share
Equity Shares outstanding prior to the Issue	58,17,00,000 Equity Shares
Issue Size	Issue of up to 48,86,28,000 Equity Shares of face value of ₹1 each for cash at a price of ₹1 (including a premium of ₹Nil per Rights Equity Share) per Rights Equity Share for an amount aggregating upto ₹4,886.28 Lakhs.
Voting Rights and Dividend	The Rights Equity Shares issued pursuant to the issue shall rank *pari passu* in all respects with the existing Equity Shares of our Company.
Equity Shares outstanding after the Issue	1,07,03,28,000 Equity Shares
Terms of the Issue	Please see the chapter titled ***'Terms of the Issue'*** on page 113 of this Letter of Offer.
Use of Issue Proceeds	Please refer "*Objects of the Issue*" on page 38.
Security Codes for the Equity Shares	ISIN: INE132F01038 BSE: 530557
ISIN for Rights Entitlements@	INE132F20012
Terms of Payment	The full amount is payable on application

The Issue has been authorised by our Board pursuant to a resolution dated December 21, 2021, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 24, 2022.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the Standalone Financial Statements. Our summary financial information presented below, is in Rupees in Lakhs and should be read in conjunction with the financial statements and the notes (including the significant accounting principles) thereto included in the section "*Financial Information*" on page.

Annexure I - Restated Statement of Assets and Liabilities

(Rs. Lakhs)

		Particulars		**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
		ASSETS				
1		**Financial Assets**				
	a	Cash and Cash Equivalents	4	59.29	63.83	54.50
	b	Receivables				
		(I) Trade Receivables	5	175.85	174.61	174.61
		(II) Other Receivables		0.00	0.00	0.00
	c	Loans	6	3,975.45	4,645.53	4,812.79
	d	Investments	7	1,197.24	989.71	783.41
	e	Other Financial assets				
		(I) Advance recoverable in cash or in kind or for value to be received	8	601.90	97.70	170.95
		(II) Others	8	0.00	0.00	0.00
		Total Financial Assets		**6,009.73**	**5,971.37**	**5,996.25**
2		**Non-Financial Assets**				
	a	Inventories	9	105.20	139.54	173.79
	b	Current Tax Assets (Net)	10	96.44	87.16	79.95
	c	Deferred Tax Assets (Net)	11	0.00	0.00	0.00
	d	Property, Plant and Equipments	12	2.27	2.27	2.27
	e	Other non-financial assets				
		(i) Others	13	2.88	1.84	0.80
		Total Non-Financial Assets		**206.79**	**230.81**	**256.81**
		TOTAL ASSETS		**6,216.52**	**6,202.19**	**6,253.06**
		LIABLITIES AND EQUITY				
		LIABLITIES				
1		**Financial Liabilities**				
	a	Trade Payables				
		(I) Trade Payables				
		(i)total outstanding dues of MSE	14	0.00	0.00	0.00
		(ii)total outstanding dues of creditors other than MSE	14	0.00	0.00	0.00
		(II) Other Payables	15	13.79	2.65	5.26
	b	Borrowings (other than Debt Securities)		0.00	0.00	0.00
	c	Other Financial Liablities	16	2.30	0.22	50.05
		Total Financial Liabilities		**16.09**	**2.87**	**55.31**

2		**Non-Financial Liabilities**				
	a	Deferred tax Liablities	11	0.58	0.57	0.56
	b	Contingnet Provisions against Standrad Assets as per RBI	17	9.94	11.61	12.03
		Total Non-Financial Liabilities		**10.52**	**12.19**	**12.59**
		Total Liabilities		**26.61**	**15.06**	**67.90**
3		**EQUITY**				
		Equity Share Capital	18	2,908.50	2,908.50	2,908.50
		Other Equity	19	3,281.41	3,278.63	3,276.66
		Total Equity		**6,189.91**	**6,187.13**	**6,185.16**
		Total Liabilities and Equity		**6,216.52**	**6,202.19**	**6,253.06**

Annexure II - Restated Statement of Profit and Loss

(Rs. Lakhs)

		Particulars	**Note No.**	for the year		
				31st March 2021	**31st March 2020**	**31st March 2019**
		Revenue from operations				
	i	Interest Income	**20**	151.78	215.44	306.29
	iii	Sale of Shares	**21**	32.81	27.84	33.42
	(I)	**Total Revenue from operations**		**184.59**	**243.27**	**339.71**
	(II)	Other Income (to be specified)	**22**	1.20	1.20	0.00
	(III)	**Total Income (I+II)**		**185.79**	**244.47**	**339.71**
		Expenses				
	i	Finance Costs		0.00	0.00	0.00
	ii	Net loss on fair value changes and loss in derecognotion of financial instruments		0.00	0.00	0.00
	v	Purchases of Stock-in-trade	**23**	0.92	118.83	165.39
	vi	Changes in Inventories of finished goods, stock-in-trade and work-in- progress	**24**	34.34	34.25	38.64
	vii	Employee Benefits Expenses	**25**	72.17	51.63	74.51
	viii	Depreciation, amortization and impairment		0.00	0.00	0.01
	ix	Others expenses (to be specified)	**26**	76.85	37.64	45.23
	(IV)	**Total Expenses (IV)**		**184.27**	**242.35**	**323.79**
	(V)	Profit / (loss) before exceptional items and tax (III-IV)		**1.51**	**2.12**	**15.92**
	(VI)	Exceptional items		**0.00**	**0.00**	**0.00**
	(VII)	Profit/(loss) before tax (V -VI)		**1.51**	**2.12**	**15.92**
		Tax Expense:				
		(1) Current Tax		0.40	0.56	3.74
	(VIII)	(2) Deferred Tax		0.01	0.01	0.98
		(3) Tax of Earlier year		0.00	0.00	0.00
				0.40	0.57	4.72

	(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		**1.11**	**1.55**	**11.21**
	(X)	Profit/(loss) from discontinued operations				
	(XI)	Tax Expense of discontinued operations				
	(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)				
	(XIII)	**Profit/(loss) for the period (IX+XII)**		**1.11**	**1.55**	**11.21**
	(XIV)	**Other Comprehensive Income**				
		(A) (i) items that will Not be reclassified to profit or loss (specify items and amounts)				
		(ii) Income tax relating to items that will not be reclassified to profit or loss				
		Subtotal (A)		0.00	0.00	0.00
		(B) (i) items that will be reclassified to profit or loss (specify items and amounts)				
		(ii) Income tax relating to items that will be reclassified to profit or loss				
		Subtotal (B)				
		Other Comprehensive Income (A + B)		**0.00**	**0.00**	**0.00**
	(XV)	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**1.11**	**1.55**	**11.21**

Annexure III - Restated Statement of Cash Flows

(Rs. Lakhs)

Particulars		**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Cash flow from/(used in) operating activities				
Profit before tax		**1.51**	**2.12**	15.92
Adjustment for:				
Depreciation and amortization		0.00	0.00	0.01
Operating profit before working capital changes		**1.51**	**2.12**	**15.94**
Movement in working capital:				
Net Changes in Assets		**188.66**	**266.50**	**12.55**
(Increase)/Decrease in Trade Receivables		-1.25	0.00	1.33
(Increase)/Decrease in Loans		670.08	167.25	70.14
(Increase)/Decrease in Other Financial Assets		-504.20	73.25	-106.73
(Increase)/Decrease in Inventories		34.34	34.25	38.64
(Increase)/Decrease in Taxes		-9.28	-7.21	9.01
(Increase)/Decrease in Other Non Financial Assets		-1.04	-1.04	0.16
Net Changes in Liabilities		**13.22**	**-52.42**	**52.91**
Increase/(Decrease) in Trade Payables		0.00	0.00	-0.95
Increase/(Decrease) in Other Payables		11.45	-2.60	4.79
Increase/(Decrease) in Other Financial Liabilities		1.77	-49.83	48.68
Increase/(Decrease) in Non Financial Liabilities		0.01	0.01	0.38

Cash generated/(used) in operations		**203.40**	**216.20**	**81.39**
Income tax paid		-0.40	-0.57	-4.54
Cash generated/(used) in operations	**(A)**	**202.99**	**215.63**	**76.85**
Cash flow from/(used) investing activities				
Change in Investments		-207.53	-206.30	-108.41
Dividend Income		0.00	0.00	
Cash generated/(used) in investing activities	**(B)**	**-207.53**	**-206.30**	**-108.41**
Cash flow from/(used in) financing activities				
Interest Expenses		0.00	0.00	
Purchase/sale of Assets		0.00	0.00	
Sale of Assets		0.00	0.00	
Cash generated/(used) in financing activities	**(C)**	**0.00**	**0.00**	**0.00**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**-4.54**	**9.33**	**-31.56**
Cash and cash equivalent at beginning of year		63.83	54.50	86.06
Cash and cash equivalent at end of year		59.29	63.83	54.50
Net increase/(decrease) as disclosed above		**-4.54**	**9.33**	**-31.56**

The above cash flow has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified under section 133 of the Companies Act 2013, read with relevant rules issued thereunder and the relevant provisions of the Act.

GENERAL INFORMATION

Our Company was originally incorporated as Navneet Commercial Company Limited on February 4, 1985 under the Companies Act, 1956, vide Certification of Incorporation bearing registration number 7001 of 1985 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. We received Certificate of Commencement of Business dated April 15, 1985 issued by the Registrar of Companies, Uttar Pradesh, Kanpur. Subsequently, the name of our Company was changed to N.C.L. Research And Financial Services Limited and a fresh Certificate of Incorporation consequent upon change of name was issued on September 9, 1992 by the Registrar of Companies, Uttar Pradesh, Kanpur.

Company Identification Number	L65921MH1985PLC284739
Address of Registered Office of Company	3rd Floor, Bhagyodaya Building, 79 Nagindas Master Road, Fort, Mumbai - 400023, Maharashtra, India **Tel**: +91 22 2270 3249 **Website:** www.nclfin.com **E-mail:** ncl.research@gmail.com
Address of Registrar of Companies	**Registrar of Companies, Maharashtra, Mumbai** 100, Everest Building, Marine Drive, Mumbai - 400020 Maharashtra, India. Tel: +91 22 2281 2639, +91 22 2288 3389, +91 22 2281 3760, +91 22 2281 2645 Fax: +91 22 2281 1977 E-mail: roc.mumbai@mca.gov.in
Designated Stock Exchange	BSE Limited

Our Board of Directors

Details regarding our Board of Directors as on the date of this Letter of Offer are set forth in the table hereunder:

Sr. No.	Name and Designation	DIN	Address
1.	**Goutam Bose** *Managing Director*	02504803	Sai Shakti Building, A wing, Room no.102, Shirdi Nagar, Nabghar Phatak Road, Bhayander East, Thane -401105, Maharashtra, India
2.	**Swagata Dasgupta** *Independent Director*	08212560	11/41, Jheel Road, Newland, Santoshpur SO, Kolkata – 700075, West Bengal, India
3.	**Amita Bose** *Independent Director*	08282967	A-65, Nanadan Kanan, Ground Floor, Santoshpur, Kolkata – 700075, West Bengal, India
4.	**Rajeswari Bangal** *Independent Director*	09440356	28, Mahendra Roy Lane Gobinda Khatick Road, Kolkata – 700046, West Bengal, India

For detailed profile of our Managing Director and other Directors, please refer *"Our Management"* on page 51.

Company Secretary and Compliance Officer

Priya Mittal
79 Nagindas Master Road, Fort,
Mumbai - 400023, Maharashtra, India
Tel: +91 22 2270 3249
Website: www.nclfin.com
E-mail: ncl.research@gmail.com

Investors are advised to contact the Company Secretary and Compliance Officer or Registrar to the Issue or the Lead Manager for any pre-Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer / CAF / letter of

allotment, Split Application Forms, Share Certificate(s) or refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Rights Equity Shares applied for, amount blocked, where the CAF or the plain paper application, was submitted by the ASBA Investors.

Chief Financial Officer

Pravin P. Talwatkar
79 Nagindas Master Road, Fort,
Mumbai - 400023, Maharashtra, India
Tel: +91 22 2270 3249
Website: www.nclfin.com
E-mail: ncl.research@gmail.com

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

Lead Manager of the Issue	**Registrar to the Issue**
Inventure Merchant Banker Services Private Limited 2nd Floor, Viraj Tower, Nr. Andheri Flyover (North End) Western Express Highway, Andheri (East) Mumbai – 400 069, Maharashtra, India **Tel No.:** +91 22 4075 1500; **Fax No.:** +91 22 4075 1511; **Email:** compliance@inventuremerchantbanker.com **Investor Grievance Email:** redressal@inventuremerchantbanker.com **Website:**www.inventuremerchantbanker.com **SEBI Registration No.:** INM000012003 **Contact Person:** Arvind Gala	**Purva Sharegistry (India) Private Limited** 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011, Maharashtra, India **Tel No.:** +91 22 2301 2518 / 8261 **Email:** support@purvashare.com **Investor Grievance Email:** support@purvashare.com **Website:** www.purvashare.com **SEBI Registration No:** INR000001112 **Contact Person:** Deepali Dhuri, Compliance Officer
Banker to the Company	**Legal Advisor to the Issue**
Bandhan Bank Limited Dalamal Tower, Ground Floor, Nariman Point, Mumbai- 400021 Maharashtra, India **Tel No.:** +91 22 2202 0048 **Email:** narimanpoint.branch@bandhanbank.com **Website:** www.bandhanbank.com **Contact Person:** Srinath Nair	**Apex Juris LLP** B-14, Dhiraj Apartment, Next to Poddar Park, Near Axis Bank, Malad East, Mumbai – 400097, Maharashtra, India **Tel No.:** +91 22 9004849928 **Email:** gsalegal9@gmail.com **Contact Person:** Gaurav Shukla
Statutory & Peer Review Auditor of the Company	**Banker to the Issue/ Sponsor Bank**
M/s. DBS & Associates, Chartered Accountants 202, 93 of Poonam Complex, Above HDFC Bank, Shanti Park, Mira Road East, Thane-401107, Maharashtra, India **Tel No.:** +91 9769794999 **Email:**ca.sunilsureka11@gmail.com **Contact Person**: CA Roxy Teniwal **Membership No:** 141538 **Firm Registration No:**018627N	**Axis Bank Limited** Giriraj Heights, Link Road, Vrajbhomi Complex, Kandivali West, Mumbai – 400 067, Maharashtra, India. **Tel. :** +91-22- 2967 2795 **Fax:** +91-22- 2967 2795 **Email Id**: kandivaliwest.branchhead@axisbank.com **Website**:www.axisbank.com **SEBI Registration No**: INR000003639 **Contact Person**: Sheetal Sandesh Vichare

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the CAF, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process as well as for non-ASBA process, see "*Terms of the Issue*" on page 116.

DESIGNATED INTERMEDIARIES

Self-Certified Syndicate Banks (SCSB's)

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

Issue Schedule:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	May 13, 2022
ISSUE OPENING DATE	May 16, 2022
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	May 23, 2022
ISSUE CLOSING DATE	May 27, 2022
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	June 6, 2022
DATE OF ALLOTMENT (ON OR ABOUT)	June 7, 2022
DATE OF CREDIT (ON OR ABOUT)	June 8, 2022
DATE OF LISTING (ON OR ABOUT)	June 10, 2022

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date.

Credit Rating

This being an issue of Equity Shares, there is no requirement of credit rating for the Issue.

Statement of Responsibility of the Lead Manager/Statement of inter se allocation of responsibilities

Since Inventure Merchant Banker Services Private Limited is the sole Lead Manager to this Issue, a statement of *inter se* allocation of responsibilities amongst Lead Manager is not required.

Debenture Trustees

This is an issue of equity shares; hence appointment of debenture trustee is not required.

Monitoring Agency

Since the size of the Issue is less than ₹ 10,000 Lakhs, our Company is not required to comply with the provisions of the SEBI ICDR Regulations including the provisions relating to appointment of monitoring agency.

Appraising Agency

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

Underwriting

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, our Company shall refund the entire subscription amount received within 4 days from the Issue Closing Date. In the event that there is a delay in making refund of the subscription amount by more than eight days after our Company becomes liable to pay subscription amount (*i.e.* 15 days after the Issue Closing Date) or such other period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rate prescribed under applicable laws.

Filing of the Offer Document

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 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 Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

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:

No.	Particulars	Amount (₹ in lakhs)	
		Aggregate nominal value	Aggregate value at Issue Price
A.	**Authorised Share Capital**		
	1,09,00,00,000 Equity Shares of face value of ₹1.00 each	10,900.00	-
B.	**Issued, Subscribed and Paid-Up Share Capital before the Issue**		
	58,17,00,000 Equity Shares of ₹1.00 each	5,817.00	-
C.	**Present Issue in terms of this Letter of Offer**		
	Issue of 48,86,28,000 Equity Shares for cash at a price of ₹1 per Equity Share	4,886.28	4,886.28
D.	**Issued, Subscribed and Paid-up Share Capital after the Issue**		
	1,07,03,28,000 Equity Shares of face value of ₹1.00 each	10,703.28	-
E.	**Securities Premium Account**		
	Before the Issue	2,903.20	
	After the Issue	2,903.20	

The Issue has been authorised by our Board pursuant to a resolution dated December 21, 2021, and by our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 24, 2022.

Our Equity Shareholders pursuant to a special resolution passed at the extraordinary general meeting held on November 23, 2021 has sub divided the equity shares from ₹ 2 face value to ₹ 1.

Notes to the Capital Structure:

1. Our Company does not have any employee stock option scheme or employee stock purchase scheme.

2. Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Letter of Offer, which would entitle the holders to acquire further Equity Shares.

3. **Shareholding of Promoters and Promoter Group:**

The details of specified securities held by the Promoters and Promoter Group including the details of lock-in, pledge and encumbrance on such securities as on the date of this Letter of Offer are set forth hereunder:

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares held	% of total share capital	Details of Equity Shares pledged/encumbered		Details of Equity Shares locked-in	
				No. of Equity Shares	% of total share capital	No. of Equity Shares	% of total share capital
1	Vijay J. Poddar	1,62,50,000	2.79	0	0.00	0	0.00
	Total	**1,62,50,000**	**2.79**	**0**	**0.00**	**0**	**0.00**

4. Other than as mentioned below, no Equity Shares have been acquired by the Promoters or members of the Promoter Group in the year immediately preceding the date of the Letter of Offer.

Sr. No.	Name of the Promoters & Promoter Group	No. of Equity Shares Acquired @₹ 95.50 per Share	Mode of Acquisition	Date of Acquisition

1	Vijay J. Poddar	81,25,000	Bonus Issue	December 6, 2021

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

   - The Promoters and members of the Promoter Group of our Company do not intend to subscribe to their Rights Entitlement.

   - The eligible members of our Promoter Group do not intend to subscribe for additional Equity Shares in the Rights Issue.

6. All the Equity Shares of our Company are fully paid-up as on the date of this Letter of Offer. Further, the Equity Shares offered in the Rights Issue shall be made fully paid at the time of their allotment.

7. The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI (SAST) Regulations is ₹ 1.33.

8. **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 details of the shareholding pattern of our Company as on March 31, 2022 can be accessed on the website of BSE at: https://www.bseindia.com/stock-share-price/ncl-research--financial-services-ltd/nclrese/530557/shareholding-pattern/

ii. Statement showing holding of the Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on March 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022

iii. Statement showing holding of the Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of the Equity Shares as on March 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022

iv. Statement showing shareholding pattern of the Non Promoter-Non Public shareholder of our Company as on March 31, 2022 can be accessed on the website of BSE at https://www.bseindia.com/corporates/shpNonProPublic.aspx?scripcd=530557&qtrid=113.00&QtrName=March%202022

OBJECTS OF THE ISSUE

The objects of the Net Proceeds (as defined below) of the Issue are:

1. Augmenting the capital base of our Company
2. General Corporate Purposes

The main object clause of Memorandum of Association of our Company enables us to undertake the activities for which the funds are being raised by us through the 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.

Issue Proceeds and Net Proceeds

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

S. No.	Particulars	Amount (₹ in lakhs)
1	Gross Proceeds of the Issue (₹ in lakhs upto)	4,886.28
2	Issue Expenses	150.00
3	**Net Proceeds of the Issue (excluding the Issue Expenses) ("Net Proceeds")**	**4,736.28**

Utilization of Net Proceeds and Means of Finance

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

Sr. No.	Object	Amount Proposed to be Utilised from the Net Proceeds (₹ in lakhs)
1.	Augmenting the capital base of our Company	3,786.28
2.	General Corporate Purposes	950.00
	Total	**4,736.28**

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

Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, Directors, key managerial personnel or associate companies (as defined under Companies Act, 2013).

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

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.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "*Risk Factors"* beginning on page 19.

Details of Use of Net Issue Proceeds:

1. Augmenting the capital base of our Company

We are a RBI Registered NBFC primarily involved in the business of providing financial services with a paramount focus on small and medium enterprises (SMEs) and Micro, Small and Medium Enterprises (MSMEs) in corporate and non-

corporate sector. The amount will be primarily used for expanding our business operations. Our Company intends to utilize approximately ₹3,786.28 lakhs from the Issue Proceeds towards the expansion of the financing business to provide for funding of fresh loans to our customers and investment in shares and securities. Our Company proposes to expand its loan portfolio to target high net worth individual with past credit track record to whom our Company may advance funds both secured/ unsecured based on the risk profile and as envisaged in the loan policy of our Company. Further, as a part of our treasury operations, our Company is also engaged in making investment in the form of Debt & Equity in various companies. We are not bound by pre-defined restrictions in regards to our search for investment opportunities. We invest in companies in a variety of markets and stages both listed and unlisted. Our management approach can take the form either of driving change or partnership with existing owners. Our Company invests its own funds. Apart from capital we offer our expertise to management drawing on our own resources as well as an extensive network of specialists to aid company's transformation in a variety of ways. We seek companies that have a need for change and would benefit from an active investor with a longer term perspective. In such cases, we typically prefer to participate via active investments. No portion of the amount earmarked towards this object will be utilised for giving loans to our Promoters, Subsidiaries, Associates, Group Companies and Promoter Group Companies.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating to ₹950.00 lakhs towards general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with applicable laws, to drive our business growth, including, amongst other things, (a) funding growth opportunities, including strategic initiatives; (b) acquiring assets, such as plant and machinery, furniture and fixtures, and intangibles; (c) meeting any expenses incurred in the ordinary course of business by our Company including salaries and wages, rent, administration expenses, insurance related expenses, and the payment of taxes and duties; (d) meeting of exigencies which our Company may face in course of any business, (e) brand building and other marketing expenses and (f) any other purpose as permitted by applicable laws and as approved by our Board or a duly appointed committee thereof.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the next Fiscal.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹150.00 lakhs. The expenses of this Issue include, among others, lead management fees, printing and distribution expenses, advertisement expenses and legal fees, if applicable. The estimated Issue expenses are as follows:

(₹lakhs)

Activity	Estimated expenses	As a % of the total estimated Issue expenses	As a % of the total Issue size
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, Advisors to the Company, payment to other intermediaries such as Legal Advisors, Registrars etc. and other out of pocket expenses.	50.00	33.33%	1.02%
Advertising and marketing expenses	5.00	3.33%	0.10%
Printing and stationery expenses, distribution and postage	3.00	2.00%	0.06%
Regulatory and other expenses including Listing Fee	92.00	61.33%	1.88%
Total estimated Issue expenses	**150.00**	**100.00%**	**3.07%**

Schedule of implementation

Our Company proposes to utilize funds collected in rights issue after finalisation of the basis of allotment. Post completion of the rights issue, the company will immediately use the funds for the purpose stated in the objects of the issue.

Deployment of Funds in the Project and balance fund deployment*

(₹ in Lakhs)

Sr. No.	Particulars	Expenses Already Incurred till April 30, 2022*	FY 2022-23 (₹ in Lakhs Upto)	FY 2022-23 (₹ in Lakhs Upto)
1.	Augmenting the capital base of our Company	0.00	3,786.28	3,786.28
2.	General Corporate Purposes	0.00	950.00	950.00
3.	Issue Expenses	48.23	101.77	150.00
	Total	**48.23**	**4,838.05**	**4,886.28**

*expense already incurred will be recouped out of the issue proceeds.
As per the certificate dated May 2, 2022 issued by A.K. Das & Co., Chartered Accountants.

Interim Use of Funds

Pending utilization for the purposes described above, we undertake to temporarily deposit the funds from the Net Proceeds in the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in the equity shares of any other listed company.

Appraisal Report

None of the objects for which the Net Proceeds from the Issue will be utilised have been appraised by any financial institutions/banks.

Bridge Loan

As of the date of this Letter of Offer, our Company has not raised any bridge loans which are required to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Monitoring of Utilization of Funds

As this is an Issue for an amount less than ₹ 10,000 Lakh, there is no requirement for the appointment of a monitoring agency. The Board or its duly authorized committees will monitor the utilization of the proceeds of the Issue. Our Company will disclose the utilization of the Issue Proceeds, including interim use, under a separate head along with details, for all such Issue Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Issue Proceeds in the balance sheet of our Company for the relevant Financial Years subsequent to the listing.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. The statement shall be certified by our Statutory Auditor. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement including deviations and variations, if any, in the utilization of the Issue Proceeds from the Objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013. Pursuant to the Companies Act 2013, the Promoters or controlling shareholders will be required to provide an exit opportunity to the shareholders who do not agree to such proposal to vary the Objects of the Issue at the fair market value of the Equity Shares as on the date of the resolution of our Board recommending such variation in the terms of the contracts or the objects referred to in the Letter of Offer, in accordance with such terms and conditions as may be specified on this behalf by SEBI.

Other Confirmations

No part of the Net Proceeds of the Issue will be utilized by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Entities or key management personnel. Our Company has not entered into or is not planning to enter into any arrangement/ agreements with Promoter, Directors, key management personnel, associates or Group Entities in relation to the utilization of the Net Proceeds of the Issue.

Key Industry Regulations for the Proposed Objects of the Issue

The Key Industry Regulations for the proposed Objects of the Issue are not different from the existing business of our Company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not 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.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO N.C.L. RESEARCH AND FINANCIAL SERVICES LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To,
The Board of Directors
N.C.L. Research And Financial Services Limited
79 Nagindas Master Road, Fort,
Mumbai - 400023, Maharashtra, India

Dear Sirs,

Sub: Statement of possible Special Tax Benefits ("the Statement"), as required under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the Regulations"), available in connection with proposed Rights Issue of Equity Shares (the "Rights Issue") of N.C.L. Research And Financial Services Limited (the "Company")

We report that there are no possible special direct tax benefits available to the Company and its shareholders under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

For M/s. DBS & Associates
Chartered Accountants

CA Roxy Teniwal
Partner
Membership No: 141538
Firm Registration No: 018627N
Date: March 15, 2022
Place: Mumbai

SECTION IV: ABOUT THE COMPANY

INDUSTRY OVERVIEW

INDIAN ECONOMY OVERVIEW

Source: https://www.ibef.org/economy/indian-economy-overview

Introduction

India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

- India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY2021-22.,
- India is the third-largest unicorn base in the world with over 83 unicorns collectively valued at US$ 277.77 billion, as per the Economic Survey. By 2025, India is expected to have 100 unicorns, which will create ~1.1 million direct jobs according to the Nasscom-Zinnov report 'Indian Tech Start-up'.
- India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030s, for productivity and economic growth according to McKinsey Global Institute. The net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.
- According to data from the Department of Economic Affairs, as of January 28, 2022, foreign exchange reserves in India reached the US$ 634.287 billion mark.

A General Overview of the NBFC sector

Introduction
Source:
https://www.rbi.org.in/Scripts/BS_ViewBulletin.aspx?Id=20262#:~:text=NBFCs'%20credit%20to%20Gross%20Domestic,India%2C%202019%2D20).

The Non-Banking Financial Companies (NBFC) sector in India has traversed highs and lows to reach where it is today. Their scale of operations and diversity in financial intermediation are testimony to their adaptability and agility in transforming their business models, gauging needs of a growing economy and the evolving regulatory milieu. NBFCs complement banks in the credit intermediation process by offering diversified, tailor-made financial products through innovative service delivery mechanisms. Furthermore, they facilitate financial inclusion by providing credit to unbanked sections of the population. Over the years, NBFCs have assumed systemic importance due to their inter-linkages with the banking sector, capital market and other financial sector entities. They consolidated their positions in the lending space following asset quality concerns for banks. NBFCs' credit to Gross Domestic Product (GDP) ratio increased from 8.6 per cent in 2012-13 to 12.2 per cent in 2018-19 before moderating slightly to 11.6 per cent in 2019-20 in the wake of the pandemic (Reserve Bank of India, 2019-20).

There were 9,507[2] NBFCs registered with the Reserve Bank as on January 31, 2021. In terms of distribution of number of companies, non-systemically important non-deposit taking NBFCs (NBFCs-ND) with an asset size of less than ₹500 crore have a preponderant share. When grouped in terms of their liability structure (public deposits being a source of funds), NBFCS are classified as deposit-taking NBFCs (NBFCs-D) or non-deposit taking NBFCs. The number of deposit-taking NBFCs (NBFCs-D) have gradually diminished and currently stands at 64, of which six have been prohibited from accepting further deposits under Section 45 MB of RBI Act, 1934. A non- deposit taking NBFC with asset size greater than ₹500 crore is considered systemically important (NBFCs-ND-SI). In terms of total assets, NBFCs-ND-SI constituted around 83 per cent of the total assets of the sector, while NBFCs-D accounted for 14.5 per cent and NBFCs-ND, 2.3 per cent at end-March 2020.

As NBFCs specialise in offering loans to niche areas and cater to specific sectors, they are also categorised based on activities that they undertake. Till February 21, 2019, NBFCs were divided into 12 categories. Thereafter, these categories were harmonised in order to provide NBFCs with greater operational flexibility. As a result, asset finance companies (AFCs), loan companies (LCs) and investment companies (ICs) were merged into a new category called Investment and Credit Company (NBFC-ICC). At present, there are 12 categories of NBFCs in the activity-based classification

The consolidated balance sheet of NBFCs registered a Y-o-Y growth of 13.0 per cent and 11.6 per cent in Q2 and Q3:2020-21, respectively. This deceleration compared to corresponding quarters of 2019-20 could be attributed to the COVID-19 induced economic slowdown and weak demand. However, this double-digit growth in an adverse macroeconomic environment points to the resilience of NBFCs, which were able to cushion the impact of the pandemic on their balance sheets through quick adoption of technology, policy support and reasonably strong fundamentals. Both NBFCs- ND-SI and NBFCs-D experienced a slowdown in their balance sheets in Q2 and Q3: 2020-21 vis-à-vis previous periods, as loans and advances moderated sharply.

Liabilities Structure of NBFCs

NBFCs rely on both secured and unsecured sources of borrowings for their funding requirements. Bank borrowings, debentures, and commercial paper (CPs) are the major sources of their funding. While bank borrowings and debenture issuances may be secured or unsecured, commercial paper and inter-corporate borrowings are unsecured sources. Due to risk aversion and market pessimism post-IL&FS, the share of market borrowings (debentures and CPs) in the total borrowing had fallen and correspondingly, the share of bank borrowings had risen. NBFCs also moved towards longer term borrowings in tune with the tenure of their assets to manage their asset-liability mismatch.

Q1:2020-21, the quarter following the nationwide lockdown, witnessed a reduction in the growth as well as share of market borrowings due to heightened risk aversion and spike in yields. However, various liquidity augmenting measures undertaken by the Reserve Bank and the Government to tackle the COVID-19 disruptions created favourable market conditions and the situation eased in Q2 and Q3:2020-21 as indicated by the pick-up in market borrowings, particularly in debenture issuances. In the same period, bank borrowings grew at a robust pace, although slight deceleration was exhibited in Q3:2020-21.

An unfavourable mix of COVID-19, sell-offs in financial markets and the abrupt winding-up of specific schemes by a mutual fund contributed to NBFCs facing record spike in yields on their debt in Q1: 2020-21. The extent of risk aversion was starkly visible from the spread of debt market instruments of NBFCs. The spread of three-year AAA NBFC bonds' yields over government securities' yields peaked to 230 basis points in May 2020, while the spread of CPs over treasury bills yields peaked to 236 basis points in April 2020.

The consolidated balance sheet of NBFCs grew at a slower pace in Q2 and Q3:2020-21 as the economy continued to weather the headwinds of COVID-19 pandemic and muted credit demand. However, NBFCs continued to disburse credit despite disruptions caused by the pandemic, albeit at a slower pace. Sequential easing of spread of NBFCs debentures over the corresponding G-sec yield along with increased retail participation in the NBFC debenture market augured well for the market and public perception regarding the sector. The retail sector benefitted from incremental credit disbursed by the sector, aided by their low GNPA ratios and by staying tuned to customer preferences. The profitability of the NBFCs improved in Q2:2020-21 compared to the corresponding quarter of the previous year on account of steeper fall in expenditure than in income. Given the persistence of infections, the full effects of the lockdown and suspension of business on the asset quality of NBFCs will be evident gradually.

Financial Services in India
Source: https://www.ibef.org/industry/financial-services-india.aspx

Introduction

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

The Government of India has introduced several reforms to liberalise, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and

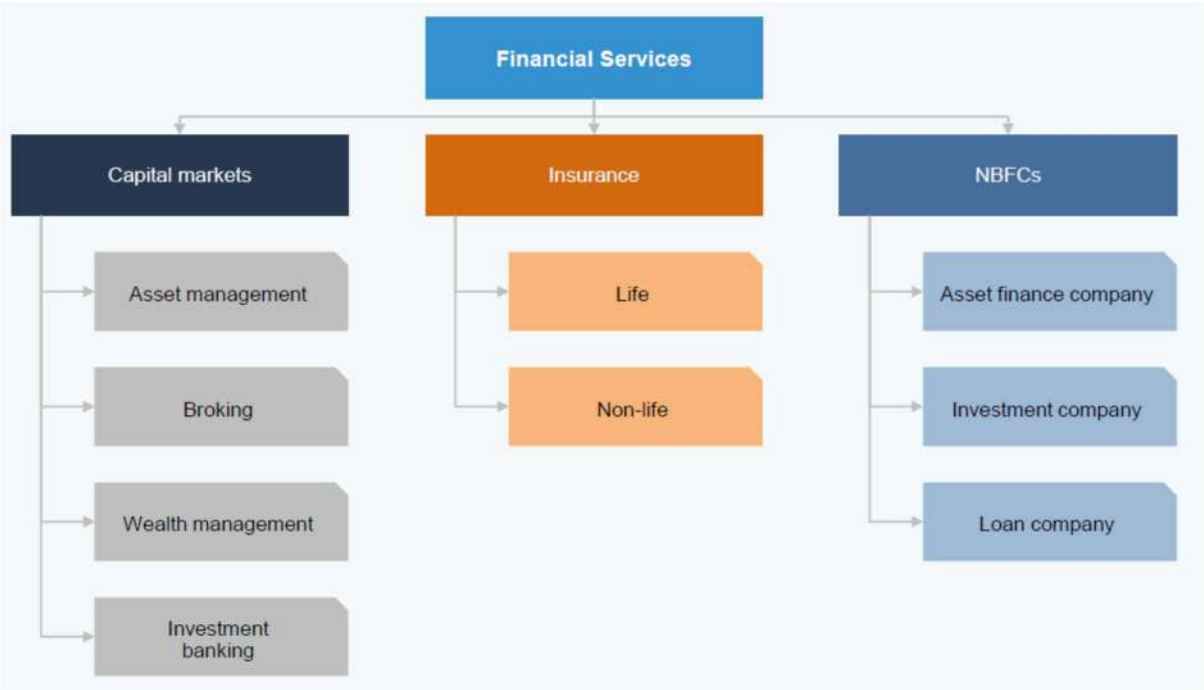
Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for MSMEs, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by Government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

The country's financial services sector consists of capital markets, insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.50% in 2019. In 2019, US$ 2.5 billion was raised across 17 initial public offerings (IPOs). The number of ultra-high net-worth individuals (UHNWIs), with wealth of US$ 30 million or more, is expected to rise 63% between 2020 and 2025 to 11,198; India has the second-fastest growth in the world.

Government Initiatives

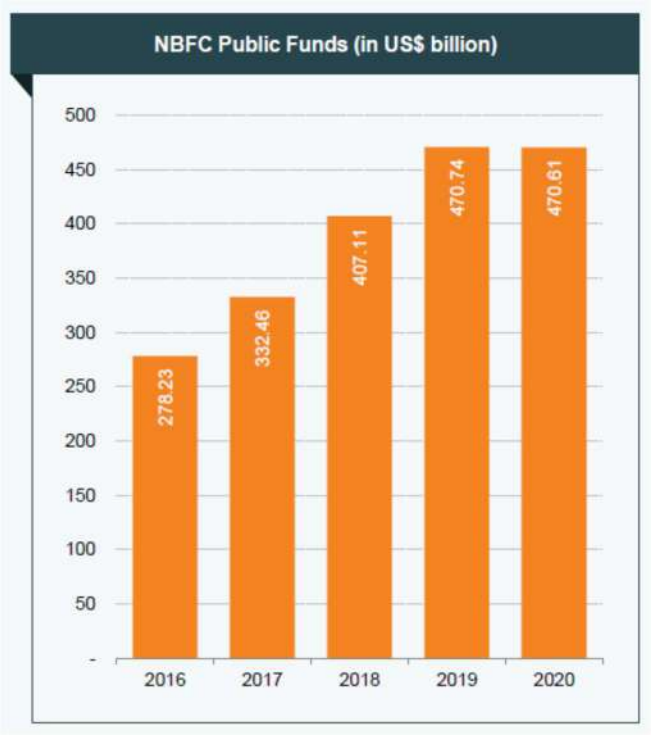
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial company - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US$ 6 billion factoring sector.

Segments of the financial services sector



- Non -banking financial companies (are rapidly gaining prominence as intermediaries in the retail finance space.
- NBFCs finance more than 80% of equipment leasing and hire purchase activities in India
- The public funds of NBFCs increased from US $ 278 .23 billion in 2016 to US $ 470 .74 billion in 2020 at a CAGR of 14 .04 %.
- There were 9,425 NBFCs registered with the RBI as of January 22 , 2021 .
- In December 2020, the Reserve Bank of India issued a draft circular on declaration of dividends by NBFCs, where in it is proposed that NBFCs should have at leastleast15 % Capital to Risk Weighted Assets Ratio (for the last 3 years, including the accounting year for which it proposes to declare dividend.

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



Source: RBI, Microfinance Institutions Network (MFIN)

OUR BUSINESS

Following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Letter of Offer, including the information contained in the section titled 'Risk Factors', beginning on page 19 of the Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the sections titled 'Risk Factors' and 'Financial Information' and chapter titled 'Management Discussion and Analysis of Financial Condition and Results of Operations' beginning on page 19, 116 and 151, respectively, of the Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of the Letter of Offer, all references to "we", "us", "our" and "our Company" are to Vaidya Sane Ayurved Laboratories Limited and Group Entities as the case may be.

Business Overview

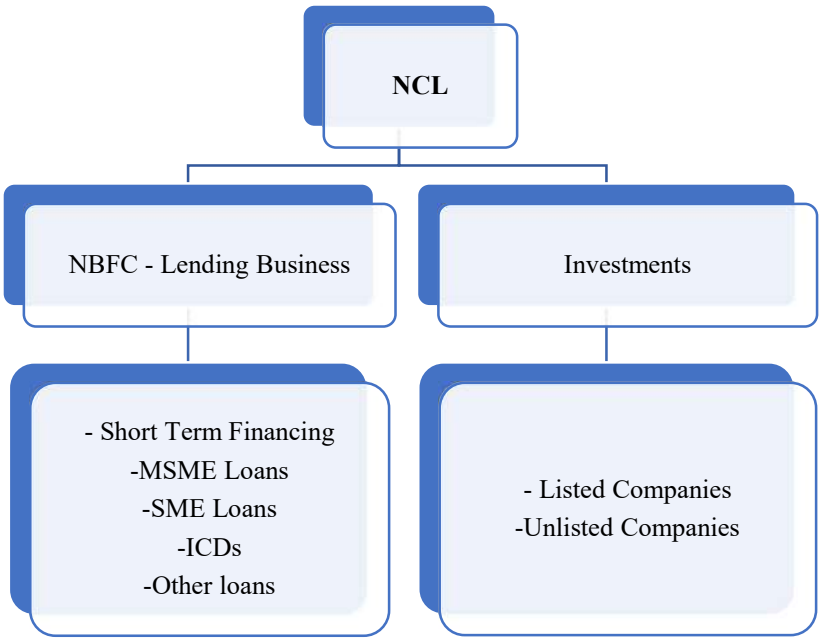
We are a Non Deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFI activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 12.00041 dated February 26, 1998.

As a Non-Banking Financial Company (NBFC) we are involved in providing financial services with a paramount focus on Micro, Small and Medium Enterprises (MSMEs) small and medium enterprises (SMEs), corporate and non-corporate sector. Our loan portfolio as of December 31, 2021, is ₹ 2,123.22 lakhs. We provide both secured and unsecured loans based on the risk profiles of the clients.

We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating major risks associated with the business/project/proposal for which loan has been sought.

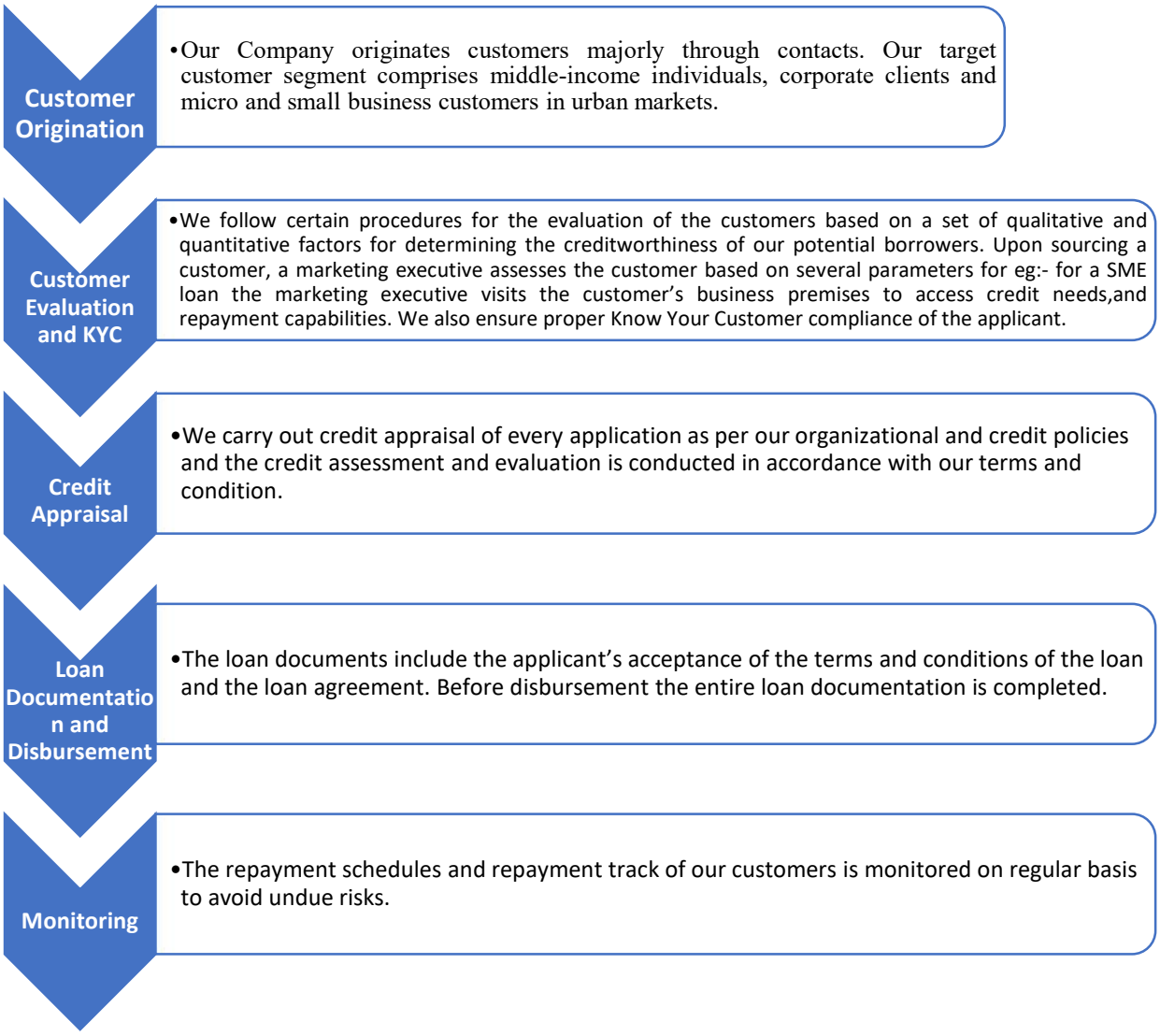
Our Company is also engaged in making investment in the form of Equity in various companies, both listed and unlisted. We are not bound by pre-defined restrictions in regards to our search for investment opportunities. We invest in companies in a variety of markets and stages.

We need sufficient financial liquidity and resources to be able to meet demands and opportunities from our growth plans as they arise over time. The investment strategies are mostly long-term, and are based on an analysis of investment fundamentals. Our investments range from very complex financial instruments, to more basic schemes.



Our Operational Process

Lending Business



Investment Activities

Our Company is also engaged in making investment in the form of Equity in various companies. We are not bound by pre-defined restrictions in regards to our search for investment opportunities. We invest in companies in a variety of markets and stages. Our Company invests its own funds. We seek companies that have a need for change and would benefit from an active investor with a longer term perspective. In such cases, we typically prefer to participate via active investments.

Plant and Machinery

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

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

We require computers and laptops for our data preparation work. Our registered office is equipped with latest computer systems, relevant software's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Manpower

Our Company is committed towards creating an organization that nurtures talent. We provide our employees an open atmosphere with a continuous learning platform that recognizes meritorious performance.

The following is a department-wise break-up of our employees as on the date of the Letter of Offer:

Sr. No.	Category	Total
1	Senior Management	2
2	Middle Management	3
3	Others	4
	Total	**9**

Approach to Marketing and Marketing Set-up

Our top management and key executives enjoy the confidence of several corporate clients. We interact with our customers to get the feedback on the quality of products and services and improve the same as well. The marketing team regularly stays in touch with our customers. They also regularly approach new customers to try and develop a business relationship.

Our Business Strategy

1. **Leverage on our experience and relationships**

We have steadily grown our business in recent years. We intend to continue growing our business by leveraging our experience and relationships with our clients to expand and diversify.

2. **Increase the number of Client Relationships:**

We are focused on increasing the number of client relationships and having more number of relationship managers to service these relationships. Our strategy is to increase the number of client relationships and then leverage those client relationships into offering in a whole suite of financial products. During downturn of the markets we believe that increased number of client relationships will add stability to our earnings. As a part of this we also plan to strengthen our sales team to bring in new client relationships to leverage our existing group offerings.

3. **Focus on Increase in Volume of Loans**

As part of our growth strategy we intend to focus on increase in volume of loan book. Our loan portfolio as of December 31, 2021, is ₹ 2,123.22 lakhs. In our lending business we want to focus on larger volume and also undertaking project based funding.

4. **Continue to build-up a professional organization**

We believe in transparency, flow of information, and commitment to the work among our work force and with our valuable customers, investors, government authorities, banks, financial institutions etc. We have employed experiences persons for taking care of our ongoing business. For taking care of accounts and finance related matters we have employed finance professionals. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

Capacity and Capacity Utilization

Our Company is engaged in the services business and hence capacity and capacity utilization cannot be determined.

Property

As on the date of the Letter of Offer our Company does not hold any property on ownership basis. The following table sets forth the details of the leasehold properties of our Company:

Description of Property	Name of Lessor	Tenure	Purpose
3rd Floor, Bhagyodaya Building, 79 Nagindas Master Road, Fort, Mumbai - 400023, Maharashtra, India	Sunil Ramakant Patil	11 months ending May 31, 2022	Registered office

*The above agreement is in the name of our Managing Director, Mr. Goutam Bose.

Intellectual Property

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

Insurance

Our Company has not taken any insurance cover at present. The Company will work towards taking insurance coverage to such amounts that will be sufficient to cover all normal risks associated with its operations and is in accordance with the industry standard.

OUR MANAGEMENT

Board of Directors

Under our Articles of Association, we are required to have not less than 3 (three) directors and not more than 15 (fifteen) directors, subject to the applicable provisions of the Companies Act, 2013. We currently have 4 (four) Directors on our Board.

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

Name, Designation, Occupation, Term, DIN and Nationality	Date of last appointment / re-appointment and term	Other Directorships
Name: Goutam Bose **Father's Name:** Biswnath Bose **Date of Birth:** March 25, 1981 **Age:** 41 years **Designation**: Managing Director **Address:** Sai Shakti Building, A wing, Room no.102, Shirdi Nagar, Nabghar Phatak Road, Bhayander East, Thane - 401105, Maharashtra, India **Occupation:** Service **DIN**: 02504803 **Nationality:** Indian	Appointed as Managing Director for a period of 5 years w.e.f. November 26, 2018.	*Companies* • Hem Jeet Rivhu Trading Private Limited • Rupasi Traders Private Limited *LLP* • Nil
Name: Swagata Dasgupta **Father's Name:** Sasanka Sekhar Roy **Date of Birth:** September 1, 1964 **Age:** 57 years **Designation**: Non Executive and Independent Director **Address:** 11/41, Jheel Road, Newland, Santoshpur SO, Kolkata – 700075, West Bengal, India **Occupation:** Business **DIN**: 08212560 **Nationality:** Indian	Appointed additional independent director on February 12, 2022 to hold office till the next General Meeting.	*Companies* • GCM Commodity & Derivatives Limited • Voltaire Leasing and Finance Limited *LLP* • Nil
Name: Rajeshwari Bangal **Father's Name:** Sankar Roy **Date of Birth:** April 13, 1985	Appointed additional independent director on February 12, 2022 to hold office till the next General Meeting.	*Companies* • Adcon Capital Services Limited • Vaishno Cement Company Limited

Age: 37 years **Designation**: Non Executive and Independent Director **Address:** 28, Mahendra Roy Lane Gobinda Khatick Road, Kolkata – 700046, West Bengal, India **Occupation:** Business **DIN**: 09440356 **Nationality:** Indian		*LLP* • Nil
Name: Amita Bose **Father's Name:** Achutyananda Roy **Date of Birth:** December 18, 1956 **Age:** 65 years **Designation**: Non Executive and Independent Director **Address:** A-65, Nanadan Kanan, Ground Floor, Santoshpur, Kolkata – 700075, West Bengal, India **Occupation:** Service **DIN**: 08282967 **Nationality:** Indian	Appointed for a term of five consecutive years with effect from November 26, 2018	*Companies* • GCM Capital Advisors Limited *LLP* • Nil

Relationship between our Directors and our Directors and Key Managerial Personnel

None of our Directors are related to each other or to any of the Key Managerial Personnel:

Brief Profile of our Directors

Goutam Bose, aged 41 years, is the Managing Director of our Company. He has completed his bachelors of science from University of Calcutta. He is having experience of more than 12 years in field of finance and accounts. He handles and day to day business of our Company and provides strategic guidance to our Company.

Swagata Dasgupta, aged 57 years, is an Independent Director of our Company. She has completed his M.A. Philosophy from Rabindra Bharat University, Calcutta. She has about 40 years of experience in the field of accounts. She has been on our Board since February 12, 2022.

Rajeshwari Bangal, aged 37 years, is an Independent Director of our Company. She is a member of bar Council of West Bengal. She has experience of over 6 years in the field of accounting and legal. She has been on our Board since February 12, 2022.

Amita Bose, aged 65 years, is an Independent Director of our Company. She has completed her Bachelors in Commerce from University of Calcutta. She has over 20 years of experience in the field of business administration. Se has been on our Board since November 26, 2018.

Further Confirmations:

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors were selected as a Director.

- There is no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

- None of the Directors is categorized or are on the RBI List of wilful defaulters.

- None of our Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

- Other than as mentioned below, none of our Directors is or was a director of any listed company during the last five years preceding the date of this Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such company:

  Our independent director, Rajeshwari Bangal is also the Director of Vaishno Cement Company Limited. She was appointed as the Director w.e.f. January 18, 2022. The equity shares of Vaishno Cement Company Limited were suspended for trading on BSE w.e.f. August 2018.

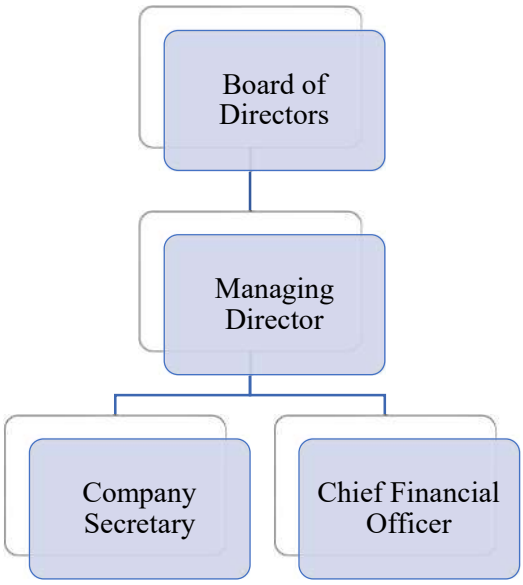
  - Name of the Company: Vaishno Cement Company Limited
  - Listed on: BSE Limited
  - Date of suspension on the stock exchange: August 2018
  - If trading suspended for more than three months, reasons for suspension and period of suspension: Suspended since August 2018 due to penal reasons.
  - If the suspension of trading revoked, the date of revocation of suspension: N.A.
  - Term of the director in the above company: Appointed as Independent Director w.e.f. January 18, 2022.

- None of our Directors is or was a director of any listed company whose shares have been or were delisted from the Stock Exchange(s), during the term of their directorship in such company in the past 10 years.

- Other than as mentioned below none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.

Further, please refer "*Disciplinary action including penalty imposed by SEBI or stock exchanges against the Company in the last five financial years including outstanding action*" under the section "*Outstanding Litigations And Material Developments*" beginning on page 106 of this Letter of Offer.

ORGANIZATION STRUCTURE



Corporate Governance

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

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

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

Committees of our Board

Our Board has constituted the following committees including those for compliance with corporate governance requirements:

a. ***Audit Committee***

Our Audit Committee was re-constituted pursuant to a resolution of our Board dated February 12, 2022. The Audit Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Rajeshwari Bangal	Chairman	Independent Director
Amita Bose	Member	Independent Director
Goutam Bose	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Audit Committee.

Set forth below are the scope, functions and the terms of reference of our Audit Committee, in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations.

A. Powers of Audit Committee

The Audit Committee shall have powers, including the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. Role of Audit Committee

The role of the Audit Committee shall include the following:

- Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of our Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;
    - Significant adjustments made in the financial statements arising out of audit findings;
    - Compliance with listing and other legal requirements relating to financial statements;
    - Disclosure of any related party transactions; and
    - Modified opinion(s) in the draft audit report.
- Reviewing, the quarterly financial statements with the management before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of our Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of our Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 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 commencement of the audit, about the nature and scope of 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;
- To establish and review the functioning of the whistle blower mechanism;
- Approval of appointment of the chief financial officer (*i.e.*, the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other terms of reference as may be decided by the Board or specified/ provided under the Companies Act, 2013 or the SEBI (LODR) Regulations or by any other regulatory authority; and
- Review of (1) management discussion and analysis of financial condition and results of operations; (2) statement of significant related party transactions (as defined by the audit committee), submitted by management; (3) management letters / letters of internal control weaknesses issued by the statutory auditors; (4) internal audit reports

relating to internal control weaknesses; (5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; (6) statement of deviations including (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI (LODR) Regulations; (b) annual statement of funds utilized for purposes other than those stated in the offer document/Letter of Offer/notice in terms of Regulation 32(7) of the SEBI (LODR) Regulations.

As required under Regulation 18 of the SEBI (LODR) Regulations, the Audit Committee shall meet at least four times in a year, and not more than four months shall elapse between two meetings. The quorum shall be two members present, or one-third of the members, whichever is greater, provided that there should be a minimum of two independent members present.

b. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee was re-constituted by a resolution of our Board dated February 12, 2022. The Stakeholders' Relationship Committee comprises:

Name of Director	Status in Committee	Nature of Directorship
Rajeshwari Bangal	Chairman	Independent Director
Amita Bose	Member	Independent Director
Goutam Bose	Member	Managing Director

The Company Secretary of the Company shall act as the Secretary of the Stakeholders' Relationship Committee.

Set forth below are the terms of reference of our Stakeholders' Relationship Committee.

- To look into the redressal of grievances of shareholders, debenture holders and other security holders;
- To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares;
- To consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends; and
- To carry out any other function as prescribed under the SEBI (LODR) Regulations as and when amended from time to time.

c. Nomination and Remuneration Committee

The Nomination and Remuneration Committee was re-constituted by our Board on February 12, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the SEBI (LODR) Regulations. The Nomination and Remuneration Committee include the following:

Name of Director	Status in Committee	Nature of Directorship
Swagata Dasgupta	Chairman	Independent Director
Puspa Devi Saraswat	Member	Independent Director
Amita Bose	Member	Independent Director

The Company Secretary of the Company shall act as the Secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of the Nomination and Remuneration Committee is in accordance with the Section 178 of the Companies Act, 2013 read with Regulation 19 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Set forth below are the terms of reference of our Nomination and Remuneration Committee.

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees. The Nomination and Remuneration Committee shall, while formulating such policy ensure that (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

- Devising a policy on diversity of board of directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- To extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

OUR KEY MANAGERIAL PERSONNEL

Set forth below are the details of our key managerial personnel in addition to our Managing Director, Whole-time Director as on the date of the Letter of Offer. For details of our Managing Director, Whole-time Director please refer "*Our Management*" on page 51.

Pravin P. Talwatkar, aged 30 years, is the Chief Financial Officer of our Company. He holds a bachelor of commerce degree from University of Mumbai. He has experience of over 5 years in finance risk management and billing. He has been associated with our Company as the Chief Financial Officer with effect from February 12, 2022. During the fiscal ended March 31, 2021, he did not receive any remuneration.

Priya Mittal, aged 31 years, is the Company Secretary & Compliance Officer of our Company. She has completed her masters in commerce from University of Kota. She is a qualified Company Secretary and a associate member of the Institute of Company Secretaries of India. She has experience of approximately 3 years in company law and secretarial compliance. She has been associated with our Company since June 23, 2021. During the fiscal ended March 31, 2021, she did not receive any remuneration.

Status of Key Managerial Personnel

All our key managerial personnel are permanent employees of our Company.

Nature of family relationship

None of the above mentioned key managerial personnel are related to each other and neither are they related to our Promoters or Directors.

Bonus or Profit Sharing Plan for our Key Managerial Personnel

As on the date of this Letter of Offer our Company does not have any performance linked bonus or profit sharing plan with any of our key managerial personnel.

Employees Stock Option Scheme

Our Company does not have any Employee Stock Option Scheme/ Employee Stock Purchase Scheme as on the date of filing of the Letter of Offer.

Payment or Benefit to officers of our Company

Except as stated in the Letter of Offer and any statutory payments made by our Company, no non-salary amount or benefit has been paid, in two preceding years, or given or is intended to be paid or given to any of our Company's officers except remuneration of services rendered as Directors, officers or employees of our Company.

Except as stated in the section "*Financial Statements*" on page 61 of the Letter of Offer, none of the beneficiaries of loans and advances and sundry debtors are related to our Company, our Directors or our Promoters.

Currently, our Company does not have any profit sharing plans or any employee stock option or purchase schemes for our employees.

Arrangements and Understanding with Major Shareholders

None of our key managerial personnel or Directors has been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

OUR PROMOTER

Vijay J. Poddar, aged 50 years, is the Promoter of our Company. He has completed his B.Com from University of Bombay. He is having experience of more than a two decades in field of finance, accounts and equity capital markets. He provides strategic guidance to our Company and executes the strategy as per the approval of our Board of Directors.

Our promoter, Vijay J. Poddar does not hold directorship in any company.

As on date of the Letter of Offer, he holds 1,62,50,000 Equity Shares representing 2.79% of the paid-up share capital of our Company.

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, 2013. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements, contractual obligations, applicable legal restrictions, and overall financial position of our Company. Our Company has not declared any dividend in last three financial years.

Our Company has no formal dividend policy. Our Board may also, from time to time and in accordance with applicable laws, pay interim dividends from the profits of the Financial Year in which such interim dividend is sought to be declared.

SECTION V – FINANCIAL INFORMATION
FINANCIAL STATEMENTS

Particulars	Page No.
Limited Reviewed Financial Results for the period ended on December 31, 2021	62
Restated Financial Statements for the financial years ended March 31, 2021, 2020 and 2019	65

Limited Review Report on Unaudited Quarterly Financial Results and Unaudited Year to Date Financial Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

To The Board of Directors of
NCL RESEARCH & FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying statement of unaudited financial Results of **NCL RESEARCH & FINANCIAL SERVICES LIMITED** ('the Company') for the quarter and the nine months ended December 31, 2021 (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.

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. **Emphasis of Matter**

   A. We draw attention to the accompanying un-audited financial results, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations & other related Matters.

B. As per Management explanation, the Company has not provided for interest receivable on loans given to some of it's' clients due to the request received from such Clients for waving off Interest for the reason of COVID-19 pandemic. However, we are not able to verify the same due to the lack of documentary evidence in support of not making provision for Interest on Loan.

C. Valuation of the unquoted investment is subject to the valuation by independent valuer. As per management explanation, they are under process to carry out fair valuation from registered valuer and therefore these are shown at its investment Value. Due to not availability of valuation report, we are not able to comment on the same.

Our conclusion is not modified in respect of these matters.

5. Based on our review conducted as stated above, except as stated in para 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DBS & ASSOCIATES**
Chartered Accountants
Firm Registration No. 081627N

Place: Mumbai
Date: 12/02/2022

Roxy Teniwal
Partner
Membership No. 141538
UDIN: 22141538ABOKIE8161

NCL RESEARCH & FINANCIAL SERVICES LIMITED

Registered Office : 79, Nagindas Master Road, 3rd Floor, Fort, Mumbai-400 023

CIN - L65921MH1985PLC284739, Email : ncl.research@gmail.com, Website : www.nclfin.com

Statement of Un-Audited Standalone Financial Results for the Quarter and Nine Months ended 31st December 2021

₹ in Lakhs

Sr. No.	Particulars	3 Months ended 31.12.2021	Preceding 3 Months ended 30.09.2021	Corresponding 3 Months ended 31.12.2020	Nine Months ended 31.12.2021	Corresponding Nine Months ended 31.12.2020	Year to date figures as on 31.03.2021
		Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I	Revenue from Operations						
	Interest Income	50.742	32.271	49.203	115.819	149.166	151.781
	Dividend Income	-	-	-	-	-	-
	Revenue from Sale of Shares	0.549	-	11.061	3.406	12.308	32.807
	Net Gain on Fair Value of Changes	-	-	-	-	-	-
	Other Income	-	-	-	-	-	-
	Total Revenue from Operations	51.291	32.271	60.264	119.225	161.474	184.588
II	Other Income						
	Others (Rental Income)	0.300	8.500	0.300	9.100	0.900	1.200
III	Total Income (I+II)	51.591	40.771	60.564	128.325	162.374	185.788
IV	Expenses						
	Finance Costs	-	-	-	-	-	-
	Fees & Commission Expenses	-	10.000	13.668	15.000	13.668	-
	Net loss on Fair Value Changes	-	-	-	-		-
	Impairment on Financial Instruments	-	-	-	-	-	-
	Cost of Material Consumed	-	-	-	-	-	-
	Purchases of Stock-in-trade	-	1.989	-	1.989	0.915	0.916
	Changes in Inventories of finished goods, stock-in-trade and work-in-progress	(31.354)	(1.812)	(24.318)	(28.470)	(12.163)	34.340
	Employee Benefits Expenses	7.527	7.496	31.822	23.583	61.976	72.171
	Depreciation, Amortization and Impairment	1.315	2.162	-	3.477	-	-
	Other Expenses	53.492	5.085	15.142	66.123	33.882	76.847
	Total Expenses (IV)	30.980	24.920	36.315	81.702	98.279	184.274
V	Profit / (Loss) before Tax & Exceptional Items (III-IV)	20.611	15.851	24.249	46.623	64.095	1.515
VI	Exceptional Items	-	-	-	-	-	-
VII	Profit / (Loss) before Tax (V-VI)	20.611	15.851	24.249	46.623	64.095	1.515
VIII	Tax Expenses						
	Current	5.359	4.379	6.305	12.380	16.665	0.397
	Deferred Tax	-	(0.248)	-	(0.248)	-	0.008
	Total Tax Expenses (VIII)	5.359	4.131	6.305	12.132	16.665	0.405
IX	Profit for the Period / Year from continuing operations (VII-VIII)	15.252	11.720	17.944	34.491	47.430	1.110
X	Profit/(Loss) from Discontinued Operations	-	-	-	-	-	-
XI	Tax Expenses Discontinued Operations	-	-	-	-	-	-
XII	Profit for the Period / Year from continuing operations (X-XI)	-	-	-	-	-	-
XIII	Profit for the Period (IX-XII)	15.252	11.720	17.944	34.491	47.430	1.110
XIV	Other Comprehensive Income						
	Fair value changes on instruments carried at FVTOCI						
	A. Items that will not be classified to Profit or Loss						
	i) Fair value changes on instruments carried at FVTOCI	-	-	-	-	-	-
	ii) Income Tax on above	-	-	-	-	-	-
	Sub-Total A	-	-	-	-	-	-
	B. i) Items that will be classified to Profit or Loss	-	-	-	-	-	-
	ii) Income Tax relating to Items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	Sub-Total B	-	-	-	-	-	-
	Other Comprehensive Income (A+B)	-	-	-	-	-	-
XV	Total Comprehensive Income for the Period (XIII+XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the Period)	15.252	11.720	17.944	34.491	47.430	1.110
XVI	Paid-up Equity Share Capital	5,817.000	2,908.500	2,908.500	5,817.000	2,908.500	2,908.500
	Face Value of Equity Shares	1.00	2.00	2.00	1.00	2.00	2.00
XVII	Other Equity				407.404		3,281.413
XVIII	Earnings per Share from Continuing Operations						
	a) Basic	0.003	0.008	0.012	0.006	0.033	0.001
	b) Diluted	0.003	0.008	0.012	0.006	0.033	0.001
XIX	Earnings per Share from Discontinued Operations						
	a) Basic	-	-	-	-	-	-
	b) Diluted	-	-	-	-	-	-
XX	Earnings per Share from Continuing & Discontinued Operations						
	a) Basic	0.003	0.008	0.012	0.006	0.033	0.001
	b) Diluted	0.003	0.008	0.012	0.006	0.033	0.001

Notes :

1. As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's business falls within a single business segment viz. "Finance & Investments" and thus Segmental Report for the Quarter is not applicable to the Company.
2. The aforesaid financial Results have been reviewed by Audit Committee and approved by Board of Directors in their meeting held on 12th February 2022.
3. Being into the business of Finance & Investments, the operations of the Company were not much impacted due to thes spread of COVID pandemic in the Country/World.
4. These results have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind-AS") 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.
5. The format of above results has been prescribed by SEBI vides their Circular No.CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirement of the SEBI Circular dated 5th July, 2016, Ind AS and in accordance with NBFC (Division III) format of Companies Act, 2013 (Refer MCA Notification dated October 11, 2018) applicable to the Companies those are required to comply with Ind AS.
6. There was sub-division in Face Value of Equity Shares w.e.f. 3rd December 2021 and the Face Value of Equity Shares have been sub-divided from Face Value of Rs. 2/- per Equity Shares to Face Value of Rs. 1/- per Equity Shares.
7. The Company has issued Bonus Equity Shares in the ratio of 1:1 to its' Shareholders on record date of 6th December 2021.
8. The Auditors of the Company have carried out "Limited Review" of the above financial Results.
9. Figures for pervious quarter/year have been re-stated/re-classified wherever necessary.

Place : Mumbai

Date : February 12, 2022

For NCL Research & Financial Services Limited

Sd/-

Goutam Bose

Managing Director

NCL Research & Financial Services Ltd. MUMBAI

RESTATED FINANCIAL STATEMENTS

Dated: March 15, 2022
To,
The Board of Directors,
N.C.L. Research And Financial Services Limited,
79 Nagindas Master Road, Fort,
Mumbai - 400023, Maharashtra, India

Auditors' Report on Restated Financial Information in connection with the Right Issue of N.C.L. Research And Financial Services Limited.

Dear Sirs,

1) We have examined the attached Restated Ind AS Financial Information of N.C.L. Research And Financial Services Limited, which comprise of the Restated Ind AS summary statement of assets and liabilities as at March, 2021, 31st March, 2020 and 31st March, 2019, the Restated Ind AS summary statements of profit and loss (including other comprehensive income), the Restated Ind AS summary statement of cash flows and the Restated Ind AS summary statement of changes in equity for the years ended 31st March, 2021, 31st March, 2020 and 31st March, 2019, read together with summary statement of significant accounting policies, annexures and notes thereto and other Restated Ind AS financial Statements described in paragraph 6 below (collectively, together with the notes and annexures there to, referred to as the "Restated Ind AS Financial Statements"), for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Rights Issue. The Restated Ind AS Financial Statements have been prepared for the purpose of inclusion in the Letter of Offer and Letter of Offer (hereinafter referred to as "Offer Documents") prepared by the Company in connection with its proposed Rights Issue comprising of fresh issue of equity shares of face value of Rs. 1 each and prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act") as amended;

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

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2) The company's board of directors is responsible for the preparation of the Restated Ind AS Financial Information for the purpose of inclusion in the Offer Documents to be filed with BSE Limited and the Registrar of Companies, in connection with the proposed Rights Issue. The responsibility of the board of directors of the company includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Ind AS Financial Information. The board of directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.

3) We have examined these Restated Ind AS Financial Information taking into consideration :

   a) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI as amended from time to time.

   b) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Ind AS Financial Statements; and

   c) The requirements of Section 26 of the Companies 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.

4) These Restated Ind AS Financial Statements have been compiled by the management from :

   Audited Ind AS Financial Statements of the Company for each of the years ended 31st March 2021, 31st March 2020 and 31st March 2019, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as

prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time and other accounting principles generally accepted in India.

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

Auditors' report issued by us for the year ended 31st March, 2021, 31st March, 2020 and 31st March, 2019 respectively as referred in Paragraph 4 above.

Emphasis of Matter :

A. *Valuation of the unquoted investment are subject to the valuation by independent valuer. As per management explanation, they are under process to carry out fair valuation from registered valuer and therefore these are shown at cost.* ***Due to not availability of valuation report, we are not able to comment on the same.***

B. *We draw attention to Note 2.29 to the accompanying restated financial statements, which describe management's assessment of uncertainty relating to the effects of the COVID-19 pandemic on the Company's operations. Due to COVID-19 pandemic and the lockdown and other restrictions imposed by the state Government and local administration, the audit processes were carried out based on the necessary records made available by the Management through digital medium.*

Our opinion is not modified in respect of this matter.

6) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report the following subject to points Mentioned in Paragraph *"Emphasis of Matter":*

a) The Restated Ind AS Restated statement of assets and liabilities of the Company as at 31st March, 2021, 31st March, 2020 and 31st March, 2019 examined by us, as set out in Annexure I of the Restated Financial Statement to this report.

b) The Restated Ind AS summary statement of profit and loss (including other comprehensive income) of the Company for each of the years ended 31st March, 2021, 31st March, 2020 and 31st March, 20l9 examined by us, as set out in Annexure II of the Restated Financial Statement to this report, have been arrived at after making adjustments and regroupings /reclassifications as in our opinion, were appropriate.

c) The Restated Ind AS summary statement of cash flows of the Company for each of the years ended 31st March , 2021, 31st March, 2020 and 31st March, 2019 examined by us, of the Restated Ind AS Financial Statement to this report.

d) The Restated Ind AS summary statement of changes in equity of the Company for each of the years ended 31st March, 2021, 31st March , 2020 and 31st March, 2019 examined by us, as set out in the Restated Ind AS Financial Statement have been arrived at after making adjustments and regroupings/ reclassifications as in our opinion, were appropriate.

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Financial Statements:

i) do not contain any adjustment due to change in the accounting policy, since there are no change in accounting policies;

ii) do not contain any adjustment for the material amounts in the respective financial years to which they relate subject to points mentioned in Paragraph *"Emphasis of Matter"*;

iii) do not contain any extraordinary items that need to be disclosed separately in the Restated Ind AS Financial Information in the respective financial years; and,

iv) do not contain any qualification as at and for the years ended 31st March, 2021 31st March,

2020 and 31st March, 2019 which require adjustments subject to points mentioned in Paragraph *"Emphasis of Matter"* .

1) We have also examined the following other Restated financial information of the Company set out in the notes prepared by its management and approved by the Board of Directors of the Company for each of the years ended 31st March, 2021, 31st March, 2020 and 31st March, 2019:

Note 1: Statement of Changes in Equity
Note 2: Brief Profile
Note 3: Statement of Significant Accounting Policies
Note 4 : Restated Statement of Cash and cash equivalents
Note 5 : Restated Statement of Receivables
Note 6 : Restated Statement of Loans
Note 7 : Restated Statement of Current Investment
Note 8 : Restated Statement of Other Financial Assets
Note 9 : Restated Statement of Inventories
Note 10 : Restated Statement of Current Tax Assets (Net)
Note 11 : Restated Statement of Deferred tax Assets (net)
Note 12 : Restated Statement of Property, Plant and Equipments
Note 13 : Restated Statement of OTHER NON-FINANCIAL ASSETS
Note 14 : Restated Statement of Trade Payable
Note 15 : Restated Statement of Other Payable
Note 16 : Restated Statement of Other Financial Liabilities
Note 17 : Restated Statement of Provisions
Note 18 : Restated Statement of Equity Share Capital
Note 19 : Restated Statement of Other Equity
Note 20 : Restated Statement of Interest Income
Note 21 : Restated Statement of Sale of Stock of Traded goods
Note 22 : Restated Statement of Other Income
Note 23 : Restated Statement of Purchases of Traded Goods
Note 24 : Restated Statement of Changes in inventories of Traded Goods
Note 25 : Restated Statement of Employee Benefit Expenses
Note 26 : Restated Statement of Other Expenses
Note 27 : Contingent Liabilities not provided for
Note 28: Disclosure of Related Party Transactions

Other Information

Accounting ratios
Capitalization Statement

According to the information and explanations given to us, and in our opinion, the Restated Ind AS Financial Statement of the Company as at and for the years ended 31st March 2021, 31st March, 2020 and 31st March, 2019, and the above mentioned other restated Ind AS financial information contained in Note 2 to Note 40 of the Restated Financial Statements accompanying this report, read with restated summary of significant accounting policies disclosed in Note 1 of the Restated Financial Statements have been prepared after making adjustments and regrouping as considered appropriate as disclosed in Note 39, have been prepared in accordance with Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note.

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

3) This report should not, in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firms of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

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

7) The audit report on the Special Purpose Ind AS Financial Statements and the Ind AS Financial Statements issued by us is unmodified subject to points mentioned in Paragraph ***"Emphasis of Matter"***.

8) Based on our examination and according to the information and explanations given to us, we report that the Restated Ind AS Financial Information:

    a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31st March, 2021, 31st March, 2020 and 31st March, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the period ended 31st March 2021;

    b) does not require any adjustment for modification as there is no modification in the underlying audit reports; and

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

9) The Restated Ind AS Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited Special Purpose Ind AS Financial Statements and the Ind AS Financial Statements as mentioned in paragraph 4 above.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by 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 the report.

12) Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filed with the BSE Limited and the ROC in connection with the proposed Rights Issue. Our report should not be used, referred to or distributed to 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 or prior consent in writing.

For M/s. DBS & Associates
Chartered Accountants

CA Roxy Teniwal
Partner
Membership No: 141538
Firm Registration No: 018627N
UDIN- 22141538AEZQPS7961

Date: March 15, 2022
Place: Mumbai

Annexure I - Restated Statement of Assets and Liabilities

(Rs. Lakhs)

		Particulars		March 31, 2021	March 31, 2020	March 31, 2019
		ASSETS				
1		**Financial Assets**				
	a	Cash and Cash Equivalents	4	59.29	63.83	54.50
	b	Receivables				
		(I) Trade Receivables	5	175.85	174.61	174.61
		(II) Other Receivables		0.00	0.00	0.00
	c	Loans	6	3,975.45	4,645.53	4,812.79
	d	Investments	7	1,197.24	989.71	783.41
	e	Other Financial assets				
		(I) Advance recoverable in cash or in kind or for value to be received	8	601.90	97.70	170.95
		(II) Others	8	0.00	0.00	0.00
		Total Financial Assets		**6,009.73**	**5,971.37**	**5,996.25**
2		**Non-Financial Assets**				
	a	Inventories	9	105.20	139.54	173.79
	b	Current Tax Assets (Net)	10	96.44	87.16	79.95
	c	Deferred Tax Assets (Net)	11	0.00	0.00	0.00
	d	Property, Plant and Equipments	12	2.27	2.27	2.27
	e	Other non-financial assets				
		(i) Others	13	2.88	1.84	0.80
		Total Non-Financial Assets		**206.79**	**230.81**	**256.81**
		TOTAL ASSETS		**6,216.52**	**6,202.19**	**6,253.06**
		LIABLITIES AND EQUITY				
		LIABLITIES				
1		**Financial Liabilities**				
	a	Trade Payables				
		(I) Trade Payables				
		(i)total outstanding dues of MSE	14	0.00	0.00	0.00
		(ii)total outstanding dues of creditors other than MSE	14	0.00	0.00	0.00
		(II) Other Payables	15	13.79	2.65	5.26
	b	Borrowings (other than Debt Securities)		0.00	0.00	0.00
	c	Other Financial Liablities	16	2.30	0.22	50.05
		Total Financial Liabilities		**16.09**	**2.87**	**55.31**
2		**Non-Financial Liablities**				
	a	Deferred tax Liablities	11	0.58	0.57	0.56
	b	Contingnet Provisions against Standrad Assets as per RBI	17	9.94	11.61	12.03
		Total Non-Financial Liabilities		**10.52**	**12.19**	**12.59**

		Total Liabilities		**26.61**	**15.06**	**67.90**
3		**EQUITY**				
		Equity Share Capital	18	2,908.50	2,908.50	2,908.50
		Other Equity	19	3,281.41	3,278.63	3,276.66
		Total Equity		**6,189.91**	**6,187.13**	**6,185.16**
		Total Liabilities and Equity		**6,216.52**	**6,202.19**	**6,253.06**

Annexure II - Restated Statement of Profit and Loss

(Rs. Lakhs)

	Particulars		**Note No.**	for the year		
				31st March 2021	**31st March 2020**	**31st March 2019**
		Revenue from operations				
	i	Interest Income	**20**	151.78	215.44	306.29
	iii	Sale of Shares	**21**	32.81	27.84	33.42
	(I)	**Total Revenue from operations**		**184.59**	**243.27**	**339.71**
	(II)	Other Income (to be specified)	**22**	1.20	1.20	0.00
	(III)	**Total Income (I+II)**		**185.79**	**244.47**	**339.71**
		Expenses				
	i	Finance Costs		0.00	0.00	0.00
	ii	Net loss on fair value changes and loss in derecognotion of financial instruments		0.00	0.00	0.00
	v	Purchases of Stock-in-trade	**23**	0.92	118.83	165.39
	vi	Changes in Inventories of finished goods, stock-in-trade and work-in- progress	**24**	34.34	34.25	38.64
	vii	Employee Benefits Expenses	**25**	72.17	51.63	74.51
	viii	Depreciation, amortization and impairment		0.00	0.00	0.01
	ix	Others expenses (to be specified)	**26**	76.85	37.64	45.23
	(IV)	**Total Expenses (IV)**		**184.27**	**242.35**	**323.79**
	(V)	Profit / (loss) before exceptional items and tax (III-IV)		**1.51**	**2.12**	**15.92**
	(VI)	Exceptional items		**0.00**	**0.00**	**0.00**
	(VII)	Profit/(loss) before tax (V -VI)		**1.51**	**2.12**	**15.92**
		Tax Expense:				
		(1) Current Tax		0.40	0.56	3.74
	(VIII)	(2) Deferred Tax		0.01	0.01	0.98
		(3) Tax of Earlier year		0.00	0.00	0.00
				0.40	0.57	4.72
	(IX)	Profit / (loss) for the period from continuing operations(VII-VIII)		**1.11**	**1.55**	**11.21**
	(X)	Profit/(loss) from discontinued operations				
	(XI)	Tax Expense of discontinued operations				
	(XII)	Profit/(loss) from discontinued operations(After tax) (X-XI)				

	(XIII)	**Profit/(loss) for the period (IX+XII)**		**1.11**	**1.55**	**11.21**
	(XIV)	**Other Comprehensive Income**				
		(A) (i) items that will Not be reclassified to profit or loss (specify items and amounts)				
		(ii) Income tax relating to items that will not be reclassified to profit or loss				
		Subtotal (A)		0.00	0.00	0.00
		(B) (i) items that will be reclassified to profit or loss (specify items and amounts)				
		(ii) Income tax relating to items that will be reclassified to profit or loss				
		Subtotal (B)				
		Other Comprehensive Income (A + B)		**0.00**	**0.00**	**0.00**
	(XV)	**Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)**		**1.11**	**1.55**	**11.21**

Annexure III - Restated Statement of Cash Flows

(Rs. Lakhs)

Particulars		**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Cash flow from/(used in) operating activities				
Profit before tax		**1.51**	**2.12**	15.92
Adjustment for:				
Depreciation and amortization		0.00	0.00	0.01
Operating profit before working capital changes		**1.51**	**2.12**	**15.94**
Movement in working capital:				
Net Changes in Assets		**188.66**	**266.50**	**12.55**
(Increase)/Decrease in Trade Receivables		-1.25	0.00	1.33
(Increase)/Decrease in Loans		670.08	167.25	70.14
(Increase)/Decrease in Other Financial Assets		-504.20	73.25	-106.73
(Increase)/Decrease in Inventories		34.34	34.25	38.64
(Increase)/Decrease in Taxes		-9.28	-7.21	9.01
(Increase)/Decrease in Other Non Financial Assets		-1.04	-1.04	0.16
Net Changes in Liabilities		**13.22**	**-52.42**	**52.91**
Increase/(Decrease) in Trade Payables		0.00	0.00	-0.95
Increase/(Decrease) in Other Payables		11.45	-2.60	4.79
Increase/(Decrease) in Other Financial Liabilities		1.77	-49.83	48.68
Increase/(Decrease) in Non Financial Liabilities		0.01	0.01	0.38
Cash generated/(used) in operations		**203.40**	**216.20**	**81.39**
Income tax paid		-0.40	-0.57	-4.54
Cash generated/(used) in operations	**(A)**	**202.99**	**215.63**	**76.85**
Cash flow from/(used) investing activities				

Change in Investments		-207.53	-206.30	-108.41
Dividend Income		0.00	0.00	
Cash generated/(used) in investing activities	**(B)**	**-207.53**	**-206.30**	**-108.41**
Cash flow from/(used in) financing activities				
Interest Expenses		0.00	0.00	
Purchase/sale of Assets		0.00	0.00	
Sale of Assets		0.00	0.00	
Cash generated/(used) in financing activities	**(C)**	**0.00**	**0.00**	**0.00**
Net increase/(decrease) in cash and cash equivalents	**(A+B+C)**	**-4.54**	**9.33**	**-31.56**
Cash and cash equivalent at beginning of year		63.83	54.50	86.06
Cash and cash equivalent at end of year		59.29	63.83	54.50
Net increase/(decrease) as disclosed above		**-4.54**	**9.33**	**-31.56**

The above cash flow has been prepared under the indirect method as set out in Indian Accounting Standard 7 on "Statement of Cash Flow" notified under section 133 of the Companies Act 2013, read with relevant rules issued thereunder and the relevant provisions of the Act.

Note 1 : Statement of Changes in Equity

For the Year ended March 31, 2021

(Rs. Lakhs)

A.	**Equity Share Capital**	
	Balance as at March 31, 2019	2,908.50
	Changes during the year	-
	Balance as at March 31, 2020	2,908.50
	Balance as at March 31, 2020	2,908.50
	Changes during the year	-
	Balance as at March 31, 2021	2,908.50

B.	Other Equity					
Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	General Reserves	Statutory Reserves (u/s45-IC of RBI Act, 1934)	Securities Premium Reserves	Retained Earnings		
Balance at the Opening of Reporting Period i.e. 1st April 2019	160.00	47.07	2,903.20	166.38	-	3,276.66

Profit for the Year	-	0.31	-	1.55	-	1.86
Transfer to Special Statutory Reserve as per RBI Act, 1934				-0.31	0.00	-0.31
Transfer to Contingent Provision against standard assets 0.25% of loan				0.42	-	0.42
Other Comprehensive Income for the Year*	-	-	-	-	-	-
Balance at the end of ReportingPeriod i.e. 31st March 2020	160.00	47.38	2,903.20	168.04	-	3,278.63
Balance at the Opening of Reporting Period i.e. 1st April2020	160.00	47.38	2,903.20	168.04	-	3,278.63
Profit for the Year	-	22,213	-	1.11	-	1.33
Transfer to Special Statutory Reserve as per RBI Act, 1934	-	-	-	-0.22	-	-0.22
Transfer to Contingent Provision against standard assets 0.25% of loan	-	-	-	1.68	-	1.68
Other Comprehensive Income for the Year*	-	-	-	-	-	-
Balance at the end of Reporting Period i.e. 31st March 2021	160.00	47.61	2,903.20	170.61	-	3,281.41

*Movement in other comprehensive income relates to re-measurements of valuation of Inventories through OCI

Nature of Reserves:

a) Securities Premium Reserve: Securities premium reserve is used to record the premium on issue of shares.The reserve is utilised in accordance with the provision of the Companies Act, 2013.

b) Retained Earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to other reserve, dividends or other distributions paid to shareholders.

c) General Reserves: The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Note 2: BRIEF PROFILE

The company is one of the RBI registered Non-Deposit taking Company NBFC and is into the business of Finance and Investments. The activities of the company includes financing, investing in shares & other securities, Commodities and other related activities of capital market.

The Registered Office of the Company is situated at Bhagyodaya Building, 3rd Floor, 79, N. M. Road, Fort, Mumbai-400 023.

Note 3: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. STATEMENT OF COMPLIANCE

The financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) issued by Ministry of Corporate Affairs in exercise of the powers conferred by section 133 read with sub-section (1) of section 210A of the Companies Act, 2013. In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied along with compliance with other statutory promulgations require a different treatment.

The financial statements for the year ended March 31, 2021 of the Company is the first financial statements prepared in compliance with Ind AS. The date of transition to Ind AS is April 1, 2017. The financial statements upto the year ended March 31, 2018, were prepared in accordance with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") and other relevant provisions of the Act. The figures for the year ended March 31, 2018 have now been restated under Ind AS to provide comparability. Refer Note 43 for the details of first-time adoption exemptions availed by the Company.

2. Basis of preparation:

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Fair value measurements under Ind AS are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at reporting date
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the valuation of assets or liabilities

2.1 Presentation of financial statements:

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Division III to Schedule III to the Companies Act, 2013 ("the Act") applicable for Non-Banking Finance Companies ("NBFC"). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Amounts in the financial statements are presented in Indian Rupees rounded off to zero decimal places as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupee to two decimal places.

2.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable as reduced for estimated customer credits and other similar allowances.

Income from arbitrage comprises profit / loss on sale of securities held as stock-in-trade and profit / loss on equity derivative instruments is accounted as per following:

i. Interest income is recognised in the Statement of Profit and Loss and for all financial instruments except for those classified as held for trading or those measured or designated as at fair value through profit or loss (FVTPL) is measured using the effective interest method (EIR).

The calculation of the EIR includes all fees and points paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts. For financial assets at FVTPL transaction costs are recognised in profit or loss at initial recognition.

The interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

ii. Dividend income is recognised when the Company's right to receive dividend is established by the reporting date and no significant uncertainty as to collectability exists.

iii. Fee and commission income and expense include fees other than those that are an integral part of EIR. The fees included in the Company statement of profit and loss include among other things fees charged for servicing a loan, non-utilisation fees relating to loan commitments when it is unlikely that these will result in a specific lending arrangement and loan advisory fees.

iv. Profit / loss on sale of securities are determined based on the FIFO cost of the securities sold.

v. Profit / loss on FNO Segment and Commodity transactions is accounted for as explained below: Initial and additional margin paid over and above initial margin for entering into contracts for Equity Index / Stock Futures / Commodity Spot Trading/ Currency Futures and or Equity Index / Stock Options / Currency Options, which are released on final settlement / squaring-up of underlying contracts, are disclosed under "Other current assets". Mark-to-market margin-Equity Index / Stock Futures / Currency Futures representing the amounts paid in respect of mark to market margin is disclosed under "Other current assets".

"Equity Index / Stock Option / Currency Option Premium Account" represents premium paid or received for buying or selling the Options, respectively.

On final settlement or squaring up of contracts for Equity Index / Stock Futures / Currency Future, the realized profit or loss after adjusting the unrealized loss already accounted, if any, is recognized in the Statement of Profit and Loss. On settlement or squaring up of Equity Index / Stock Options / Currency Option, before expiry, the premium prevailing in "Equity Index / Stock Option / Currency Option Premium Account" on that date is recognized in the Statement of Profit and Loss.

As at the Balance Sheet date, the Mark to Market / Unrealised Profit / (Loss) on all outstanding arbitrage portfolio comprising of Securities and Equity / Currency Derivatives positions is determined on scrip basis with net unrealized losses on scrip basis being recognized in the Statement of Profit and Loss and the net unrealized gains on scrip basis are ignored.

vi. Other operational revenue represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

2.3 Property, Plant and Equipments

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation less impairment loss, if any. Historical cost comprises of purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the written down value method over the estimated useful lives of the assets which in certain cases may be different than the rate prescribed in Schedule II to the Companies Act, 2013, in order to reflect the actual usages of the assets.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Class of Assets	Useful life as prescribed in Schedule II of Companies Act, 2013 (in years)	Useful life as followed by the Company (in year)
Computers	3	3
Furniture & Fixtures	10	10
Office Equipment	5	5
Vehicles	8	8

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized as income or expense in the statement of profit and loss.

2.4 Intangible assets:

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Direct expenses and administrative and other general overhead expenses that are specifically attributable to acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

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

Intangible assets are amortised on written down value method over the estimated useful life. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset are recognised in profit or loss when the asset is derecognised.

2.5 Impairment of tangible and intangible assets other than goodwill

As at the end of each accounting year, the Company reviews the carrying amounts of its PPE and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of an individual asset, at the higher of the net selling price and the value in use.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. For this purpose, the impairment loss recognised in respect of a cash generating unit is allocated first to reduce the carrying amount of any goodwill allocated to such cash generating unit and then to reduce the carrying amount of the other assets of the cash generating unit on a pro-rata basis.
When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit), except for allocated goodwill, is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

2.6 Employee benefits:

i. Short term employee benefits:

Employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

ii. Post-employment benefits:

a) Defined contribution plans: The Company's superannuation scheme, state governed provident fund scheme, employee state insurance scheme and employee pension scheme are defined contribution plans. The contribution paid/ payable under the schemes is recognised during the period in which the employee renders the related service.

b) Defined benefit plans: The employees' gratuity fund schemes and employee provident fund schemes managed by board of trustees established by the Company, the post-retirement medical care plan and the Parent Company pension plan represent defined benefit plans. The present value of the obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.
The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance cost. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognizes related restructuring costs or termination benefits.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

iii. Long term employee benefits:

The obligation recognised in respect of long term benefits such as long term compensated absences is measured at present value of estimated future cash flows expected to be made by the Company and is recognised in a similar manner as in the case of defined benefit plans vide (ii) (b) above.

iv. Termination benefits:

Termination benefits such as compensation under employee separation schemes are recognised as expense when the Company's offer of the termination benefit is accepted or when the Company recognises the related restructuring costs whichever is earlier.

2.7 Financial instruments:

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

A financial asset and a financial liability is offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

2.8 Write off:

Loans and debt securities are written off when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. A write-off constitutes a de-recognition event. The Company may apply enforcement activities to financial assets written off. Recoveries resulting from the Company's enforcement activities will result in impairment gains.

2.9 Impairment:

The Company recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Loans and advances to customers;
- Debt investment securities;
- Trade and other receivable;
- Lease receivables;
- Irrevocable loan commitments issued; and
- Financial guarantee contracts issued.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Company assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if corporate debt instruments are credit impaired, the Company considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikeliness to pay indicators and a back-stop if amounts are overdue for 90 days or more.

2.10 Cash and bank balances:

Cash and bank balances also include fixed deposits, margin money deposits, earmarked balances with banks and other bank balances which have restrictions on repatriation. Short term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

2.11 Securities premium account:

i. Securities premium includes:

- The difference between the face value of the equity shares and the consideration received in respect of shares issued pursuant to Stock Option Scheme.
- The fair value of the stock options which are treated as expense, if any, in respect of shares allotted pursuant to Stock Options Scheme.

ii. The issue expenses of securities which qualify as equity instruments are written off against securities premium account.

2.12 Borrowing costs:

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings, to the extent they are regarded as an adjustment to interest costs.

Borrowing costs net of any investment income from the temporary investment of related borrowings, that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Accounting and reporting of information for Operating Segments:

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation. The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments. Segment accounting policies are in line with the accounting policies of the Company.

2.14 Foreign currencies:

i. The functional currency and presentation currency of the Company is Indian Rupee. Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

ii. In currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the prevailing closing spot rate. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

iii. Financial statements of foreign operations whose functional currency is different than Indian Rupees are translated into Indian Rupees as follows –

A. assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;

B. income and expenses for each income statement are translated at average exchange rates; and

C. all resulting exchange differences are recognised in other comprehensive income and accumulated in equity as foreign currency translation reserve for subsequent reclassification to profit or loss on disposal of such foreign operations.

2.15Taxation:

Current Tax:

Tax on income for the current period is determined on the basis of taxable income (or on the basis of book profits wherever minimum alternate tax is applicable) and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessments/appeals.

Deferred Tax:

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that taxable profit will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets relating to unabsorbed depreciation/business losses/losses under the head "capital gains" are recognised and carried forward to the extent of available taxable temporary differences or where there is convincing other evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets in respect of unutilised tax credits which mainly relate to minimum alternate tax are recognised to the extent it is probable of such unutilised tax credits will get realised.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

2.16Provisions, contingent liabilities and contingent assets:

Provisions are recognised only when:

i. A Company entity has a present obligation (legal or constructive) as a result of a past event; and

ii. it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

i. a present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
ii. a present obligation arising from past events, when no reliable estimate is possible.
Contingent assets are disclosed where an inflow of economic benefits is probable. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.
Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

2.17 Statement of cash flows:

Statement of cash flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
i. changes during the period in operating receivables and payables transactions of a non-cash nature;
ii. non-cash items such as depreciation, provisions, deferred taxes, unrealised gains and losses; and
iii. all other items for which the cash effects are investing or financing cash flows.
Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.18 Earnings per share:

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

2.19 Key source of estimation:

The preparation of financial statements in conformity with Ind AS requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include useful lives of property, plant and equipment & intangible assets, expected credit loss on loan books, future obligations in respect of retirement benefit plans, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

2.20 Changes in Accounting Standard and recent accounting pronouncements (New Accounting Standards issued but not effective):

On March 30, 2021, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2019, notifying Ind AS 116 on Leases. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently for operating lease, rentals are charged to the statement of profit and loss. The Company is currently evaluating the implication of Ind AS 116 on the financial statements.
The Companies (Indian Accounting Standards) Amendment Rules, 2019 notified amendments to the following accounting standards. The amendments would be effective from April 1, 2019
a) Ind AS 12, Income taxes — Appendix C on uncertainty over income tax treatments
b) Ind AS 19— Employee benefits
c) Ind AS 23 – Borrowing costs
d) Ind AS 28— investment in associates and joint ventures
e) Ind AS 103 and Ind AS 111 — Business combinations and joint arrangements
f) Ind AS 109 — Financial instruments
The Company is in the process of evaluating the impact of such amendments.

2.21 Inventories

Inventories have been valued at the method prescribed in the Accounting Standards. Shares are valued at cost or market value, whichever is lower. The comparison of Cost and Market value is done separately for each category of Shares.

Units of Mutual Funds are valued at cost or market value whichever is lower. Net asset value of units declared by mutual funds is considered as market value for non-exchange traded Mutual Funds.

2.22 Other Income Recognition

Interest on Loan is booked on a time proportion basis taking into account the amounts invested and the rate of interest.
Dividend income on investments is accounted for when the right to receive the payment is established.

2.23 Purchases

Purchase is recognized on passing of ownership in share based on broker's purchase note.

2.24 Expenditure

Expenses are accounted for on accrual basis and provision is made for all known losses and liabilities.

2.25 Investments

Current investments are stated at the lower of cost and fair value. Long-term investments are stated at cost. A provision for diminution is made to recognise a decline, other than temporary, in the value of long-term investments. Investments are classified into current and long-term investments.

Investments that are readily realisable and are intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as non-current investments.

2.26 Related Parties

Parties are considered to be related if at any time during the reporting period one party has the ability to control the other party or exercise significant influence over the other party in making financial and/or operating decisions.

As required by IND AS - 24 "Related Party Disclosure" only following related party relationships are covered:

i. Enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise (this includes holding Companies, subsidiaries and fellow subsidiaries);
ii. Associates and joint ventures of the reporting enterprise and the investing party or venture in respect of which the reporting enterprise is an associate or a joint venture;
iii. Individuals owning, directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of any such individual;
iv. Key management personnel (KMP) and relatives of such personnel; and
v. Enterprises over which any person described in (iii) or (iv) is able to exercise significant influence.

2.27 Fair Value Hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs).

2.28 Financial Risk Management Objectives and Policies:

The Company's activities are exposed to a variety of Financial Risks from its Operations. The key financial risks include Market risk, Credit risk and Liquidity risk.

i. **Market Risk:**
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises mainly three types of risk, foreign currency risk, Interest rate risk and other price risk such as Equity price risk and Commodity Price risk.

ii. **Foreign Currency Risk:**
There are no Foreign Currency transactions during the financial year.

iii. **Foreign Currency Sensitivity:**
There are no Foreign Currency transactions during the financial year.

iv. **Credit Risk:**
Credit risk is the risk that counterparty might not honor its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables).

v. **Trade Receivables:**
Customer credit risk is managed based on company's established policy, procedures and controls. The company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.
Credit risk is reduced by receiving pre-payments and export letter of credit to the extent possible. The Company has a well-defined sales policy to minimize its risk of credit defaults. Outstanding customer receivables are regularly monitored and assessed. The Company follows the simplified approach for recognition of impairment loss and the same, if any, is provided as per its respective customer's credit risk as on the reporting date.

vi. **Liquidity Risk:**
Liquidity risk is the risk, where the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due.

2.29 Summary of Significant Accounting Policies General

- Contingent Liabilities & Commitments as mentioned follows -

Name of Statue	Nature of Dues	Disputed Amount	Financial Year for which it relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	11,53,010/-	2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	62,61,377/-	2018-19	CIT (Appeal)

- Additional Information disclosed as per Part II of the Companies Act, 2013 – Nil

Remarks:

B. *The Company is having investments is some of small cap illiquid stocks where either there is very thin trading or no trading during the entire Financial Year. Even trading in some of these shares has been suspended by Stock Exchanges. The Company has valued these shares on last traded price on BSE/NSE and has not made any provision for the possible losses.*

C. *Valuation of the unquoted investment are subject to the valuation by independent valuer. As per management explanation, they are under process to carry out fair valuation from registered valuer and therefore these are shown at its investment Value.* ***Due to not availability of valuation report, we are not able to comment on the same.***

D. *Trade receivables amounting of Rs. 175.85 Lakhs are receivable since long time. As per management explanation these are recoverable and company is in process to recover. Similarly Other advances (shown under other financial assets Rs. 601.89 Lacs) amounting of Rs. 100.55/- Lacs are receivable since long time. As per management explanation these are recoverable and company is in process to recover.*

E. *Some of the balances of Trade Receivables, Deposits, Loans and Advances, Trade payable are subject to confirmation from the respective parties and consequential reconciliation/adjustment arising there from, if any.*

F. *As per Management explanation, the Company has not provided for interest receivable on loans given to some of it's' clients due to the request received from such Clients for waving off Interest for the reason of COVID-19 pandemic. However, we are not able to verify the same due to the lack of documentary evidence in support of not making provision for Interest on Loan.*

2.30 Cash and cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.31 Earnings/(loss) per share

i. Basic earnings/ (loss) per share

Basic earnings / (loss) per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

ii. Diluted earnings / (loss) per share

Diluted earnings / (loss) per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

Other Notes to Accounts

i. In the opinion of the management, current assets, loans and advances and other receivables are approximately of the value stated, if realized in the ordinary course of business. The provisions of all known liability are ascertained, except for Trade Receivables. Since the receivables are dues for more than one year, we are not certain about the recoveries of the same. The Company is confident of receiving the dues and hence no contingency liabilities have been provided.

ii. Previous year figures have been restated to confirm the classification of the current year.

iii. Balances of Sundry Debtors, Unsecured Loans, and Sundry Creditors are Loans & Advances are subject to reconciliation, since conformations have not been received from them. Necessary entries will be passed on receipt of the same if required.

iv. The company has not provided for Gratuity and Leave Encashment to Employees on accrual basis, which is not in conformity with IND AS -19 Employees Benefits. However, in the opinion of management the amount involved is negligible and has no impact on Statement of Profit & Loss.

v. The disclosure regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 have not been made since the requirement does not pertain to financial year ended March 31, 2021.

Corporate Social Responsibility

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Companies [Corporate Social Responsibility (CSR)] Rules, 2014. Therefore it is not required to incur any expenditure on account of CSR activities during the year.

Segment Reporting –

The company is primarily engaged in the single business of trading in shares and securities and there is no reportable secondary segment i.e. geographical segment. Hence, the disclosure requirement of **Ind AS 108 – Operating Segments is not applicable.**

Note 4 : Restated Statement of Cash and cash equivalents

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Balances with banks			
This includes:			
i) In current accounts	-	-	
Bandhan Bank	42.62	40.29	48.29
CS Bank	0.01	0.07	0.00
-	-	-	
Cash on hand	**16.66**	**23.46**	6.20
			-
Total	**59.29**	**63.83**	**54.50**

Note 5 : Restated Statement of Receivables

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) Trade Receivables			
Receivables Considered Good-UnSecured	175.85	174.61	174.61
Total	**175.85**	**174.61**	**174.61**

Note 6 : Restated Statement of Loans

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(A)			
i) Unsecured	3,975.45	4,645.53	4,812.79
Total (A) -Gross	**3,975.45**	**4,645.53**	**4,812.79**
Less: Impairment loss allowance	0.00	0.00	0.00
Total (A) -Net	**3,975.45**	**4,645.53**	**4,812.79**
(B)			
(I) Loans in India			
i) Others	3,975.45	4,645.53	4,812.79
Less: Impairment loss allowance	0.00	0.00	0.00
Total B -Net	**3,975.45**	**4,645.53**	**4,812.79**
Total C (Tally of total A & total B)	**3,975.45**	**4,645.53**	**4,812.79**

Note 7 : Restated Statement of Current Investment

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
(i) Investments Valued at Fair Value through OCI			
(a) Mutual Funds			
(b) Debt Instruments			
(c) Equity Instruments	1,197.24	989.71	783.41
(f) Others			
Total Gross (A)	**1,197.24**	**989.71**	**783.41**

(I) Investments outside India			
(II) Investments in India	1,197.24	989.71	783.41
Total (B)	**1,197.24**	**989.71**	**783.41**
Total {(A) to Tally with (B)}	**1,197.24**	**989.71**	**783.41**
Less: Allowance for Impairement Loss (C)			
Total Net (D) =A-C	**1,197.24**	**989.71**	**783.41**

Note 8 : Restated Statement of Other Financial Assets

(₹ Lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
(Unsecured, considered good)			
Advance recoverable in cash or in kind or for value to be received	601.90	97.70	170.95
Other Advance	0.00	0.00	0.00

Note 9 : Restated Statement of Inventories

(₹ Lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Stock of Traded Goods			
Shares & Securities	105.20	139.54	173.79
Total	**105.20**	**139.54**	**173.79**

Note 10: Restated Statement of Current Tax Assets (Net)

(₹ Lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Tax deposited	209.27	199.59	191.82
Tax Payable	(112.83)	(112.43)	(111.87)
Net Tax on Income receivable	**96.44**	**87.16**	**79.95**

Note 11: Restated Statement of Deferred tax Assets (net)

(₹ Lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**	**March 31, 2019**
Deferred Tax			
-Property, Plant & Equipment, Stock Valuation			
Opening	-0.57	-0.56	0.42
Adjustment	-0.01	-0.01	-0.98
Closing	-0.58	-0.57	-0.56
-Other Comprehensive income			
Opening			

Adjustment			
Closing			
Net Deferred Tax Assets	**0.00**	**0.00**	**0.00**
Net Deferred Tax Liabilities	**-0.58**	**-0.57**	**-0.56**

Note 12 : Restated Statement of Property, Plant and Equipments

(₹ Lakhs)

Particulars	**Computer**	**Total**
FY 2021		
Cost as at April 1, 2020	**34.44**	**34.44**
Addition During the year	0.00	0.00
Deduction/Adjustments	0.00	0.00
As at 31st March, 2021	**34.44**	**34.44**
Depreciation		
As at April 1,2020	**32.17**	**32.17**
Depreciation for the year	0.00	0.00
Deduction/Adjustments	0.00	0.00
Upto 31st March, 2021	**32.17**	**32.17**
Net Block as at March 31, 2021	**2.27**	**2.27**

(₹ Lakhs)

Particulars	**Computer**	**Total**
FY 2020		
Cost as at April 1, 2019	**34.44**	**34.44**
Addition During the year	0.00	0.00
Deduction/Adjustments	0.00	0.00
As at 31st March, 2020	**34.44**	**34.44**
Depreciation		
As at April 1,2019	**32.17**	**32.17**
Depreciation for the year	0.00	0.00
Deduction/Adjustments	0.00	0.00
Upto 31st March, 2020	**32.17**	**32.17**
Net Block as at March 31, 2020	**2.27**	**2.27**

Particulars	**Computer**	**Total**
FY 2019		
Cost as at April 1, 2018	**34.44**	**34.44**
Addition During the year	-	-
Deduction/Adjustments	-	-
As at 31st March, 2019	**34.44**	**34.44**
Depreciation		

As at April 1,2018	32.15	32.15
Depreciation for the year	-	0.014
Deduction/Adjustments	-	-
Upto 31st March, 2019	**32.15**	**32.17**
Net Block as at March 31, 2019	**2.29**	**2.27**

Note 13 : Restated Statement of OTHER NON-FINANCIAL ASSETS

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Unsecured, considered good			
Prepaid Expenses	2.88	1.84	0.80
Others	0.00	0.00	0.00
Total	**2.88**	**1.84**	**0.80**

Note 14 : Restated Statement of Trade Payable

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
1. Trade Payables			
(i) Total outstanding dues of MSE*	0.00	0.00	0.00
ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	0.00	0.00	0.00
Total			

Note 15 : Restated Statement of Other Payable

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Provision for expenses	13.79	2.65	5.26
Others	0.00	0.00	0.00
Total	**13.79**	**2.65**	**5.26**

*The Following are the disclosure requirements under The Micro, Small and medium enterprises development Act, 2006 ("MSMED Act"):
As per the clarification and confirmations sought from suppliers on registration with the specified authorities under MSMED Act: there is no such suppliers registered under MSMED Act. The aforementioned is based on the responses received by the Company to its inquiries with suppliers with regard to applicability under the MSMED Act. This has been relied upon by the auditors.

Note 16 : Restated Statement of Other Financial Liabilities

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Statutory Dues	1.36	0.22	0.05
Other payables	0.94	0.00	50.00

Total	**2.30**	**0.22**	**50.05**

Note 17 : Restated Statement of Provisions

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Contingent Provisions against Standard Assets	9.94	11.61	12.03
Total	**9.94**	**11.61**	**12.03**

Note 18 : Restated Statement of Equity Share Capital

(₹ Lakhs)

Particulars	March 31, 2021		March 31, 2020		March 31, 2019
					₹
-	-	-	-	-	
Authorised shares	-	-	-	-	
15,00,00,000 (15,00,00,000; 31 March 2021) equity shares of Rs. 2/- Each		3,000.00		3,000.00	3,000.00
Issued,Subscribed and Paid up	-	-	-	-	
14,54,25,000 (14,54,25,000; 31 March 2021) equity shares of Rs.2/- each		2,908.50		2,908.50	2,908.50
Total		2,908.50		2,908.50	2,908.50

A reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

(₹ Lakhs)

Particulars	March 31, 2021		March 31, 2020		March 31, 2019	
	No.	Rs.	No.	Rs.	No.	Rs.
Shares outstanding at the beginning of the year	14,54,25,000	2,908.50	14,54,25,000	2,908.50	14,54,25,000	2,908.50
Shares Issued during the year	0.00	0.00	0.00	0.00	0.00	0.00
Shares bought back during the year	0.00	0.00	0.00	0.00	0.00	0.00
Shares outstanding at the end of the year of Rs. 2/- each	14,54,25,000	2,908.50	14,54,25,000	2,908.50	14,54,25,000	2,908.50

Note 19 : Restated Statement of Other Equity

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
General Reserve			
Opening Balance	160.00	160.00	160.00
Addition /(Deduction) during the Year	0.00	0.00	0.00
Total	**160.00**	**160.00**	**160.00**
Securities Premium			
Opening Balance	2,903.20	2,903.20	2,903.20
Addition /(Deduction) during the Year	0.00	0.00	0.00
Total	**2,903.20**	**2,903.20**	**2,903.20**
Special Reserve pursuant to Section 45 IC of RBI Act, 1934			

Opening Balance	47.38	47.07	44.83
Addition /(Deduction) during the Year	0.22	0.31	2.24
Total	**47.61**	**47.38**	**47.07**
Retained Earnings			
Appropriation of Profit			
Opening Balance	168.04	166.38	157.24
Profit for the Period	1.11	1.55	11.21
Transfer to Special Statutory Reserve as per RBI Act, 1934 (20%)	0.22	0.31	2.24
Transfer to Contigent Provision against standard assets 0.25% of loan	-1.68	-0.42	-0.18
Adjustment of Fair Value changes in Inventories			
Adjustment of Changes in Deferred tax on PPE on change of GAPP and IND AS			
Transfer to/ from other reserves			
Total	**170.61**	**168.04**	**166.38**
Other Comprehensive Income			
Opening Balance			
Adjustment:			
Fair Value Changes in Investments in Securities			
Tax adjustment on above			
Other opening Deferred Tax Adjustment			
Transfer to/ from other reserves			
Total	**3,281.41**	**3,278.63**	**3,276.66**

Note 20 : Restated Statement of Interest Income

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
On Financial Assets measured at Amortised Cost			
Interest on loans given	151.78	214.14	303.88
Other Interest Income	0.00	1.30	2.41
Total	**151.78**	**215.44**	**306.29**

Note 21 : Restated Statement of Sale of Stock of Traded goods

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Sale of Shares			
-Quoted	32.81	27.84	33.42
-Unquoted	**0.00**	**0.00**	**0.00**
	32.81	**27.84**	**33.42**

Note 22 : Restated Statement of Other Income

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019

Rental Income	1.20	1.20	0.00
Total	**1.20**	**1.20**	**0.00**

Note 23 : Restated Statement of Purchases of Traded Goods

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Purchase of Shares	0.92	118.83	165.39
Loss in share trading	0.00	0.00	0.00
Total	**0.92**	**118.83**	**165.39**

Note 24 : Restated Statement of Changes in inventories of Traded Goods

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Opening Stock of Shares	139.54	173.79	212.43
Closing Stock of Shares	105.20	139.54	173.79
Total	**34.34**	**34.25**	**38.64**

Note 25 : Restated Statement of Employee Benefit Expenses

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Salary and Bonus to staff	56.05	40.94	60.19
MD Remunaration	6.50	6.15	1.54
Staff Welfare	9.62	4.54	12.77
Total	**72.17**	**51.63**	**74.51**

Note 26 : Restated Statement of Other Expenses

(₹ Lakhs)

Particulars	March 31, 2021	March 31, 2020	March 31, 2019
Advertisement Expenses	0.04	0.13	0.78
Audit Fees	1.00	0.60	0.35
Bank Charges	0.02	0.05	0.00
Book & Periodicals	1.16	0.68	1.06
Business Promotion Expenses	0.00	0.00	0.00
Commission & Brokerage	33.67	0.00	0.00
Communication Expenses	5.17	4.55	4.63
Donation 80G	0.00	0.00	0.50
Electricity Charges	0.35	0.25	0.32
General Expenses	5.98	3.25	4.63
Internet Expenses	0.00	0.00	1.02
Interest on Late Deposit of TDS	0.01	0.00	0.00
Other Fees	0.35	0.00	
Postage and telegram	1.72	1.13	2.02

Printing & Stationery	3.12	1.80	3.16
Professional & Legal Fees	0.77	8.37	2.04
Registrar fees	0.64	0.69	0.64
Rent	1.92	1.92	1.92
Repairs & Maintenance -Computers	1.88	1.03	1.10
Repairs & Maintenance - General	2.90	1.87	2.12
Filing Fees	0.31	0.39	0.59
Stock Exchange & Other Regulatory Expenses	5.41	5.51	4.77
Website Expenses	0.08	0.12	0.22
Travelling & Conveyance Expenses	10.34	5.30	13.35
Total	**76.85**	**37.64**	**45.23**

Note 27 – Contingent Liabilities

Name of Statue	Nature of Dues	Disputed Amount (Rs.)	Financial Year for which it relates	Forum where dispute is Pending
Income Tax Act, 1961	Income Tax	11,53,010/-	2013-14	CIT (Appeal)
Income Tax Act, 1961	Income Tax	62,61,377/-	2018-19	CIT (Appeal)

Note 28: Disclosure of Related Party Transactions:

1) Wholly owned Subsidiary : Not Applicable
2) Company under same Management : Not Applicable

3) Company with Common independent director: As under

Name of Related Party	Nature of Transaction	F.Y.2020-21 (Value in Lakhs)
Khoobsurat Limited	Commission Paid	4.57

3) List of Related Parties on Board and Key Managerial Person and nature & value of transactions with them:

Name	Nature of Relation	Nature of Transaction	FY 2021 (₹ in Lakh)	FY 2020 (₹ in Lakh)	FY 2019 (₹ in Lakh)
Mr. Goutam Bose	Managing Director	Directors' Remuneration	6.50	6.15	1.54
Mr. Mayank Singh	Chief Financial Officer	Salary & Perquisites	6.21	4.55	4.55
Mr. Abhisek Lohia	Company Secretary	Salary & Perquisites	3.97	0.00	0.00
Swati Agrawal	Company Secretary	Salary & Perquisites	0.00	0.80	2.15
Priya Mittal	Company Secretary	Salary & Perquisites	0.00	0.70	0.00
Laxmi Narayan Sharma, Puspa Devi Saraswat, Amita Bose	Independent Directors	Sitting Fees	0.00	0.00	0.25

Note 33: There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2021. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

STOCK MARKET DATA FOR EQUITY SHARES

The Equity Shares of our Company are listed on the BSE.

For the purpose of this section:

- Year is a Financial Year;
- Average price is the average of the daily closing prices of the Equity Shares, for the year, or the month, or the week, as the case may be;
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares, for the year, or the month, as the case may be; and
- In case of two days with the same high/low/closing price, the date with higher volume has been considered.

Monthly Stock Market Quotation

The high and low prices and volume of the Equity Shares traded on the respective dates during the last six months is as follows:

BSE: (Source – www.bseindia.com)*

Month	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Month	Total No. of Trading Days
November 2021	6.89	November 29, 2021	7178625	2.80	November 1, 2021	2231526	4.67	20
December 2021	5.65	December 1, 2021	589399	1.39	December 21, 2021	12757779	1.79	23
January 2022	3.10	January 20, 2022	29115178	1.62	January 4, 2022	60298399	2.33	20
February 2022	2.28	February 4, 2022	48642535	1.33	February 28, 2022	11103538	1.75	20
March 2022	1.95	March 16, 2022	13276037	1.33	March 2, 2022	8590439	1.58	8
April 2022	1.64	April 22, 2022	7219747	1.28	April 28, 2022	13551783	1.48	19

* Our Equity Shareholders pursuant to a special resolution passed at the extraordinary general meeting held on November 23, 2021 has sub divided the equity shares from ₹ 2 face value to ₹ 1.
* Our Company issued bonus Equity Shares in the ratio of 1:1 on December 6, 2021.

Yearly Stock Market Quotation

The high, low prices and average of closing prices recorded on the BSE for the preceding three Financial Years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

BSE: (Source – www.bseindia.com)*

Year ended on March 31	High (₹)	Date of High	No. of Shares Traded on date of High	Low (₹)	Date of Low	No. of Shares Traded on date of Low	Average Price for the Year
2022	6.89	November 29, 2021	7178625	0.36	April 22, 2021	13,038	1.71
2021	0.58	March 2, 2021	9176	0.19	April 1, 2020	10,000	0.30
2020	0.32	April 1, 2019	12937	0.19	September 30, 2019	20.415	0.24
2019	1.32	April 2, 2018	1332	0.31	January 17, 2019	14,958	0.67

* Our Equity Shareholders pursuant to a special resolution passed at the extraordinary general meeting held on November 23, 2021 has sub divided the equity shares from ₹ 2 face value to ₹ 1.

* Our Company issued bonus Equity Shares in the ratio of 1:1 on December 6, 2021.

The closing price of the Equity Shares as on December 22, 2021 was ₹1.60 on the BSE, the trading day immediately following the day on which Board of Directors approved the Issue.

The closing market price of our Equity Shares as on March 11, 2022, the trading day immediately prior to the date of the Draft Letter of Offer, was ₹ 1.70 on the BSE.

The closing market price of our Equity Shares as on April 29, 2022, the trading day immediately prior to the date of the Letter of Offer, was ₹ 1.36 on the BSE.

The issue price shall be determined in consultation between the issuer and the lead manager.

OTHER INFORMATION

STATEMENT OF ACCOUNTING AND OTHER RATIOS

Particulars	31.03.21	31.03.20	31.03.19
EBITDA (₹ in Lacs)	1.51	2.12	15.94
Net Profit as restated (₹ in Lacs)	1.11	1.55	11.21
Net Worth (₹ in Lacs)	6,189.91	6,187.13	6,185.16
Return on Net worth (%)	0.02%	0.03%	0.18%
Equity Share at the end of year (in Nos.)	14,54,25,000	14,54,25,000	14,54,25,000
(Face Value ₹ 1)	10.00	10.00	10.00
Weighted No. of Equity Shares	14,54,25,000	14,54,25,000	14,54,25,000
Weighted No. of Equity Shares (Considering bonus in all previous years in the ration of 1:1 and sub division of equity shares from ₹ 2 face value to ₹ 1)	581700000	581700000	581700000
Basic and Diluted Earnings per Equity Share	0.001	0.001	0.008
Basic and Diluted Earnings per Equity Share (Considering bonus in all previous years in the ration of 1:1 and sub division of equity shares from ₹ 2 face value to ₹ 1)	0.0002	0.0003	0.0019
Net Asset Value/Book Value per Equity share (Based on no of share at the end of year)	4.26	4.25	4.25
Net Asset Value/Book Value per Equity share (Considering bonus in all previous years in the ration of 1:1)	1.06	1.06	1.06

CAPITALISATION STATEMENT

Particulars	Pre Issue As at 31.12.2021
Debt :	
Short term debt	0.00
Long term debt	0.00
Total Debt	**0.00**
Shareholders Funds	
Equity Share Capital	5,817.00
Reserves and Surplus	407.40
Less: Revaluation Reserves	0.00
Total Shareholders' Funds	**6,224.40**
Long Term Debt/ Shareholders' Funds	0.00
Total Debt / Shareholders Fund	0.00

**Post Issue Capitalisation will be determined post finalization of relevant parameters at the time of finalizing the final Letter of Offer.*

MATERIAL DEVELOPMENTS

Except as disclosed herein below, there are no material developments since December 31, 2022, which significantly affect the operations, performance, prospects or financial condition of our Company:

1. Our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 24, 2022, approved Rights Issue, increase in authorised capital, changes in articles.

2. Mrs. Swagata Dasgupta and Mrs. Rajeshwari Bangal have been appointed as an additional Independent Director, in compliance with the requirement under Regulation 17(1) of the SEBI Listing Regulations, pursuant to our Board resolution dated February 12, 2022, subject to approval of the Shareholders.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Letter of Offer. You should also read the section entitled "Risk Factors" on page 19*, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The Restated Financial Information included in this Letter of Offer are prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectus (Revised 2019)" issued by the ICAI (the "**Guidance Note**").*

Our financial statements have been prepared in accordance with Ind AS, the Companies Act and the ICDR Regulations and restated as described in the report of our auditor dated March 16, 2022 which is included in this Letter of Offer under "Financial Statements". The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.

Significant Developments Subsequent to the Last Financial Period

In the opinion of the Board of Directors of our Company, other than as mentioned below, since the date of the last financial statements disclosed in this Letter of Offer, there have not arisen any circumstance that materially or adversely affect or are likely to affect the business or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months.

1. Our Equity Shareholders pursuant to a resolution passed at the extraordinary general meeting held on January 24, 2022, approved Rights Issue, increase in authorised capital, changes in articles.

2. Mrs. Swagata Dasgupta and Mrs. Rajeshwari Bangal have been appointed as an additional Independent Director, in compliance with the requirement under Regulation 17(1) of the SEBI Listing Regulations, pursuant to our Board resolution dated February 12, 2022, subject to approval of the Shareholders.

COVID 19 Pandemic:

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we saw a decline in our business. In view of the fluidity of the situation and lack of visibility on the timeline for containment of the global pandemic, the recovery trajectory remains uncertain. It is difficult for us to predict the impact that COVID-19 will have on us, our customers or suppliers in the future. We continue to closely monitor the effect that COVID-19 may have on our business and results of operations. To the extent, the COVID-19 pandemic adversely affects us, it may also significantly increase the effect of the aforementioned factors affecting our results of operations.

Key factors affecting the results of operation:

Our Company's future results of operations could be affected potentially by the following factors:

Economic conditions in the markets in which we operate

Our results of operations are dependent on the overall economic conditions in the markets in which we operate, including India. Any change in macro-economic conditions in these markets, including changes in interest rates, government policies or taxation and political, economic or other developments could affect our business and results of operations. While stronger macro-economic conditions tend to result into higher demand for our products, weaker macro-economic conditions tend to result into lower demand. Change in demand in the market segments we currently supply or improvement/deterioration in the market or a change in regulations, customs, taxes or other trade barriers or restrictions could affect our operations and financial condition.

Regulatory developments

Our Company is regulated by the Companies Act and some of its activities are subject to supervision and regulation by statutory and regulatory authorities. It is therefore subject to changes in Indian law, as well as to changes in regulation and government policies and accounting principles.

The following important factors could cause actual results to differ materially from the expectations include among others:
• General economic and business conditions;
• Volatility in financial market
• Increasing competition in the industry;
• Changes in the value of the Indian rupee and other currencies;
• Changes in laws and regulations that apply to the industry;
• Changes in fiscal, economic or political conditions in India;

RESULTS OF OPERATIONS

Description of the major components of revenue and expense items: -

Our total revenue consists of revenue from operations and other income.

Revenue

Revenue from Operations

Revenue from operations comprised revenue generated from interest on loans and income form trading and investment of equity shares.

Expenses

Operating Expenses is our largest head of expense and mainly comprised of purchase of stock in trade, changes in inventories.

Employee Benefits Expense comprised of salary and wages to employees and staff welfare expenses .

Other Expenses

Other expenses primarily comprises of commission and brokerage and travelling expenses, printing & stationery, communication expenses, stock exchange and regulatory expenses, audit fees, rent and other miscellaneous expenses.

Tax Expense

Our tax expense or credit for the period represents the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

DISCUSSION ON RESULTS OF OPERATIONS:

The following discussion on results of operations should be read in conjunction with the audited financial results of our Company for the 5 months period ended August 31, 2021 and financial years ended March 31, 2021, 2020 and 2019.

OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer *Significant Accounting Policies, "Annexure IV" beginning under "Auditors' Report and Financial Information of our Company" on page 101.*

RESULTS OF OUR OPERATION

For the 9 months period ended December 31, 2021:

(₹ Lakhs)

Particulars	For the period ended 31-12-2021	% of Total Income
Income		
Revenue from Operations	119.23	
Other Income	9.10	
Total Income	**128.33**	
Purchase of Stock in Trade	1.99	1.55%
Changes in Inventories of finished goods, stock-in-trade and work-in- progress	-28.47	-22.19%
Employee Benefit Expenses	23.58	18.38%
Other Expenses	81.12	63.22%
Total Expenditure	**78.23**	**60.96%**
EBITDA	**50.10**	**39.04%**
Interest & Financial Charges	0.00	0.00%
Depreciation	3.48	2.71%
PBT	**46.62**	**36.33%**
Tax Expenses	12.13	9.45%
Profit After Tax as Restated	**34.49**	**26.88%**

Revenue from operations

The Revenue from operations was ₹ 119.23 lakhs for the 9 months period ended December 31, 2021. This included ₹ 119.23 lakhs of interest income and ₹ 3.41 lakhs from sale of shares. Other Income for the 9 months period ended December 31, 2021 was ₹ 9.10 lakhs. Hence the Total Income for the 9 months period ended December 31, 2021 was ₹ 119.23 lakhs.

Expenditure:

The total operating expenditure aggregated to ₹ 78.23 lakhs which was 60.96% of the Total Income.

Changes in Inventories stood at ₹ (28.47) lakhs.

Employee Benefit Expenses stood at ₹ 23.58 lakhs which was 18.38% of the Total Income.

Other Expenses stood at ₹ 81.12 lakhs which was 63.22% of the Total Income.

Depreciation: We incurred Depreciation cost of ₹ 3.48 lakhs, which is 2.71% of our Total Income.

Tax Expenses: Tax Expenses for the period ended December 31, 2021 is ₹ 12.13 lakhs.

Profits

Our EBITDA stood at ₹ 50.10 lakhs for the 9 months period ended December 31, 2021 with the EBITDA margin of 39.04%. We recorded PBT of ₹ 46.62 lakhs and PBT margin stood at 36.33%. We recorded Net Profit of ₹ 34.49 lakhs. Our Net Profit Margin stood at 26.88%.

Comparison of Financial Years ended March 31, 2021, 2020 and 2019

(₹ lakhs)

Particulars	31-Mar-21	31-Mar-20	31-Mar-19
Income			
Revenue from Operations	184.59	243.27	339.71
Increase/Decrease (%)	-24.12%	-28.39%	
Other Income	1.20	1.20	0.00
Total Income	**185.79**	**244.47**	**339.71**
Increase/Decrease (%)	-24.00%	-28.03%	
Expenditure			
Purchase of Stock in Trade	**0.92**	**118.83**	**165.39**
Increase/Decrease (%)	-99.23%	-28.15%	
% to Total Income	0.49%	48.61%	48.69%
Changes in Inventories of finished goods, stock-in-trade and work-in- progress	**34.34**	**34.25**	**38.64**
Increase/Decrease (%)	0.26%	-11.36%	
% to Total Income	18.48%	14.01%	11.38%
Employee Benefit Expenses	**72.17**	**51.63**	**74.51**
Increase/Decrease (%)	39.78%	-30.71%	
% to Total Income	38.85%	21.12%	21.93%
Other Expenses	**76.85**	**37.64**	**45.23**
Increase/Decrease (%)	104.17%	-16.77%	
% to Total Income	41.36%	15.40%	13.31%
Total Expenditure	**184.27**	**242.35**	**323.77**
Increase/Decrease (%)	-23.96%	-25.15%	
% to Total Income	99.18%	99.13%	95.31%
EBITDA	**1.51**	**2.12**	**15.94**
Increase/Decrease (%)	-28.67%	-86.67%	
% to Total Income	0.82%	0.87%	4.69%
Depreciation, amortization and impairment	**0.00**	**0.00**	**0.01**
Increase/Decrease (%)		-100.00%	
% to Total Income	0.00%	0.00%	0.00%
Profit Before Interest and Tax	**1.51**	**2.12**	**15.92**
Increase/Decrease (%)	-28.67%	-86.66%	
% to Total Income	0.82%	0.87%	4.69%
Interest & Financial Charges	**0.00**	**0.00**	**0.00**
Increase/Decrease (%)			

% to Total Income	0.00%	0.00%	0.00%
Profit before Taxation	**1.51**	**2.12**	**15.92**
Increase/Decrease (%)	-28.67%	-86.66%	
% to Total Income	0.82%	0.87%	4.69%
Tax Effect	**0.40**	**0.57**	**4.72**
Increase/Decrease (%)	-29.57%	-87.84%	
% to Total Income	0.22%	0.23%	1.39%
Profit After Tax	**1.11**	**1.55**	**11.21**
Increase/Decrease (%)	-28.34%	-86.17%	
% to Total Income	0.60%	0.63%	3.30%

Comparison of FY 2021 with FY 2020:

Revenue from operations

The Revenue from operations for the FY 2021 is ₹ 184.51 lakhs as compared to ₹ 243.21 lakhs during the FY 2020 showing decrease of 24.12%. This decrease was primarily due to decrease in interest income from ₹ 215.44 lakhs during FY 2020 to ₹ 151.78 lakhs during FY 2021. Due to covid 19, we saw a decline in our business during first half of Fiscal 2021.

Other Income for the FY 2021 and FY 2020 was ₹1.20 lakhs which consists of rental income.

Hence the Total Income for the FY 2021 is ₹ 185.79 lakhs as compared to ₹ 244.57 lakhs during the FY 2020.

Expenditure:

Purchase of Stock in Trade

Purchase of Stock in Trade decreased to ₹ 0.92 lakhs for FY 2021 from ₹ 118.83 lakhs for FY 2020. Purchase of Stock in Trade mainly consists of purchases of shares. The Purchase of Stock in Trade was 0.49% of total income during FY 2021 as against that of 48.61% during FY 2020.

Changes of Inventories

Changes of Inventories was ₹ 34.34 lakhs for FY 2021 and ₹ 34.25 lakhs for FY 2020. Changes of Inventories consists of difference between opening and closing stock of traded equity shares.

Employee Benefit Expenses

Employee Benefit Expenses increased from ₹ 51.63 lakhs for the year ended March 31, 2020 to ₹ 72.17 lakhs for FY 2021 showing a increase of 39.78%. This increase was mainly due to increase in staff salary and staff welfare expenses. Employee Benefit Expenses stood at 21.12% and 38.85% of Total income for FY 2020 and FY 2021, respectively.

Other Expenses

Other Expenses increased to ₹ 76.85 lakhs for FY 2021 from ₹ 37.64 lakhs for FY 2020 showing an increase of 104.17%. The increase was mainly due to increase in commission and brokerage, general expenses, printing & stationery, repairs & maintenance, travelling amongst others. Other Expenses was 41.36% of Total income during FY 2021 as against 15.40% during FY 2020.

EBITDA

EBITDA decreased from ₹ 2.12 lakhs for FY 2020 to ₹ 1.51 lakhs for FY 2021. During FY 2021, our Company recorded PBDIT of 0.82% of the Total income as against 0.87% during FY 2020.

Profit after Tax and restatement adjustment (PAT)

PAT decreased from ₹ 1.55 lakhs for the FY 2020 to ₹ 1.11 lakhs in FY 2021. This decrease was mainly on account of decrease in operating revenues and other reasons as detailed above. During FY 2021, our Company recorded PAT margin of 0.60% as against 0.63% for FY 2020.

Comparison of FY 2020 with FY 2019:

Revenue from operations

The Revenue from operations for the FY 2020 is ₹ 243.27 lakhs as compared to ₹ 339.71 lakhs during the FY 2019 showing decrease of 28.39%. This decrease was primarily due to decrease in interest income from ₹ 306.29 lakhs during FY 2019 to ₹ 215.44 lakhs during FY 2020.

Other Income for the FY 2020 was ₹1.20 lakhs which consists of rental income as compared ₹0.00 lakhs during FY 2019.

Hence the Total Income for the FY 2020 is ₹ 244.57 lakhs as compared to ₹ 339.71 lakhs during the FY 2019.

Expenditure:

Purchase of Stock in Trade

Purchase of Stock in Trade decreased to ₹ 118.83 lakhs for FY 2020 from ₹ 165.39 lakhs for FY 2019. Purchase of Stock in Trade mainly consists of purchases of shares. The Purchase of Stock in Trade was 48.61% of total income during FY 2020 as against that of 48.60% during FY 2019.

Changes of Inventories

Changes of Inventories was ₹ 34.25 lakhs for FY 2020 and ₹ 38. 64 lakhs for FY 2019. Changes of Inventories consists of difference between opening and closing stock of traded equity shares.

Employee Benefit Expenses

Employee Benefit Expenses decreased from ₹ 74.51 lakhs for the year ended March 31, 2019 to ₹ 51.63 lakhs for FY 2020 showing a decrease of 30.71%. This decrease was mainly due to decrease in staff salary and staff welfare expenses. Employee Benefit Expenses stood at 21.93% and 21.12% of Total income for FY 2019 and FY 2020, respectively.

Other Expenses

Other Expenses decreased to ₹ 37.64 lakhs for FY 2020 from ₹ 45.23 lakhs for FY 2019 showing a decrease of 16.77%. The decrease was mainly due to increase in travelling, advertisement, general expenses, printing & stationery amongst others. Other Expenses was 15.40% of Total income during FY 2020 as against 13.31% during FY 2019.

EBITDA

EBITDA decreased from ₹ 15.94 lakhs for FY 2019 to ₹ 2.12 lakhs for FY 2020. During FY 2020, our Company recorded PBDIT of 0.87% of the Total income as against 4.69% during FY 2019.

Profit after Tax and restatement adjustment (PAT)

PAT decreased from ₹ 11.21 lakhs for the FY 2019 to ₹ 1.55 lakhs in FY 2020. This decrease was mainly on account of decrease in operating revenues and other reasons as detailed above. During FY 2020, our Company recorded PAT margin of 0.63% as against 3.30% for FY 2019.

FACTORS THAT MAY AFFECT THE RESULTS OF THE OPERATIONS:

1. Unusual or infrequent events or transactions

An outbreak of COVID-19 was recognised as a pandemic by the WHO on March 11, 2020. In response to the COVID-19 outbreak, the governments of many countries, including India, have taken preventive or protective actions such as imposing country-wide lockdowns, as well as restrictions on travel and business operations. Due to a government mandated lockdown in India, we saw a decline in our business during first half of Fiscal 2021.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in '*Factors Affecting our Results of Operations'* and the uncertainties described in the section entitled '*Risk Factors*' beginning on page 19 of the Letter of Offer. To our knowledge, except as we have described in the Letter of Offer, there are no known factors which we expect to bring about significant economic changes.

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.

Apart from the risks as disclosed under Section titled *"Risk Factors"* on page 19 in the Letter of Offer, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future costs and revenues will be determined by demand/supply situation, government policies and prices quoted by service providers.

5. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in revenues during the last three fiscal years are explained in "Management's Discussion and Analysis of Financial Condition & Results of Operations" under the subsection "Comparison of Financial Years ended March 31, 2021, 2020 and 2019" under the respective paragraphs titled "Operating Revenue".

6. Total turnover of each major industry segment in which the issuer company operated.

For details on the total turnover of the industry please refer to "*Industry Overview*" on page 43.

7. Status of any publicly announced new products or business segment.

Our Company has not announced any new product or business segment.

8. The extent to which business is seasonal.

Our Company's business is not seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers.

We are not dependent upon few suppliers or customers.

10. Competitive conditions.

Competitive conditions are as described under "*Industry Overview*" and "*Our Business*" on pages 43 and 47, respectively.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a wilful defaulter or fraudulent borrowers by any bank or financial institution or consortium thereof, in accordance with the guidelines issued by the RBI.

SECTION VI – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoters or Group Companies; (ii) action taken by statutory or regulatory authorities involving our Company, Directors, Promoters or Group Companies; (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action; (iv) outstanding claim involving our Company, Directors, Promoters or Group Companies for any direct and indirect tax liabilities; (v) outstanding proceedings initiated against our Company for economic offences; (vi) defaults or non-payment of statutory dues by our Company; (vii) issues of moral turpitude or criminal liability on the part of our Company (viii) pending litigations involving our Company, Directors, Promoters, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations.

For the purpose of material litigation in (viii) above, our Board in its meeting held on August 12, 2019 has considered and adopted the following policy on materiality for identification of material outstanding litigations to be disclosed by our Company in the Letter of Offer:

(a) All criminal proceedings, taxation matters, disciplinary actions and actions by statutory or regulatory authorities, involving our Company, Promoters, Directors, or Group Companies, as the case may be has been considered as material;

(b) All pending litigation (other than those covered in (a) above) involving our Company, Promoters, Directors, or Group Companies as the case may be, has been considered 'material' where (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of ₹10,00,000/- or 5% of the net profits after tax of the Company for the most recent audited fiscal period, whichever is lower; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoters, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company;

(c) All pending litigations involving our Directors where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company has been considered as material;

(d) Notices received by our Company, Promoters, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, has not been evaluated for materiality until such time that the Company / Directors / Promoters / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.

Our Company, our Promoters and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoters or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Unless otherwise stated, all proceedings are pending as of the date of the Letter of Offer. All information provided below is as of the date of the Letter of Offer.

I. LITIGATION INVOLVING OUR COMPANY

Litigation filed against our Company

Criminal Proceedings against our Company : Nil

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Company: Nil

Civil Proceedings against our Company: Nil

Other matters considered material: Nil

Litigation filed by our Company

Criminal Proceedings by our Company: Nil

Civil Proceedings by our Company that are considered material as per the materiality policy: Nil

Other matters considered material: Nil

II. LITIGATION INVOLVING OUR PROMOTER

Litigation filed against our Promoter

Criminal Proceedings against our Promoter

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Promoter: Nil

Civil Proceedings against our Promoter that are considered material as per the materiality policy: Nil

Other matters considered material: Nil

Litigation filed by our Promoter

Criminal Proceedings by our Promoter: Nil

Civil Proceedings by our Promoter that are considered material as per the materiality policy: Nil

Other matters considered material: Nil

III. LITIGATION INVOLVING OUR DIRECTORS

Litigation filed against our Directors

Criminal Proceedings against our Directors

Nil

Actions and Proceedings initiated by Statutory/Regulatory Authorities against our Directors.

Nil.

Civil Proceedings against our Directors that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

Litigation filed by our Directors

Criminal Proceedings by our Directors

Nil.

Civil Proceedings by our Directors that are considered material as per the materiality policy

Nil.

Other matters considered material

Nil.

TAX PROCEEDINGS

A summary of tax proceedings, in a consolidated manner, involving our Company, our Promoters or our Directors are stated below:

Nature of case	Number of cases	Amount involved (in ₹ lakhs)
Our Company		
Direct Tax	2	74.15
Indirect Tax	Nil	Nil
Our Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Our Directors		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

LEGAL NOTICES RECEIVED BY OUR COMPANY, OUR PROMOTERS AND OUR DIRECTORS

SEBI vide its letter dated May 31, 2018 had ask for the information with respect to investigation into preferential allotments dated September 8, 2011 and June 16, 2012 made by our Company. We had replied to the aforesaid letter vide our letter dated June 11, 2018. SEBI has asked for the further information vide their letter dated September 28, 2018. Our Company has replied to the same vide our letter dated December 10, 2018.

We received a summon from SEBI for production of documents dated November 27, 2020, with respect to preferential allotment dated September 8, 2011. We have replied to the same vide our letter dated December 9, 2020.

SEBI has asked for the further information vide their email dated February 10, 2021 and a summon dated February 18, 2021 and February 25, 2021. We had replied to the same vide our letter dated February 22, 2021. There is no further communication in this regard.

ISSUES OF MORAL TURPITUDE OR CRIMINAL LIABILITY ON THE PART OF OUR COMPANY

There is no outstanding matter of moral turpitude or criminal liability against our Company as on the date of this Letter of Offer.

MATERIAL VIOLATIONS OF THE STATUTORY REGULATIONS BY OUR COMPANY

There are no material violations of the statutory regulations by our Company as on the date of this Letter of Offer.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTERS IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION: NIL

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE COMPANY IN THE LAST FIVE FINANCIAL YEARS INCLUDING OUTSTANDING ACTION

1. Pursuant to directions received from SEBI, as a surveillance measure, trading was suspended by BSE w.e.f. January 7, 2015. The shares were suspended due to unusual price movement vis-à-vis preferential issue price and weak financials of the Company. The trading was suspended from January 7, 2015 to April 9, 2017. The suspension was revoked w.e.f. April 10, 2017.

2. SEBI vide its adjudication order dated July 30, 2019 imposed a penalty of Rs. 5.00 lakhs on our company, in the matter of dealings in illiquid stock options. We have paid the aforesaid penalty on September 17, 2019.

3. Penalty imposed by BSE

The following fines were imposed by BSE and further promoter demat account was also frozen due to non payment of fines.

Regulations	Quarter/ Month	Compliance Status	No. of Days Delay	Basic Fine Amount (₹)	Fine Waived by Committee	Basic Fine (₹)
Reg-23(9)	Sep-20	Late submission	44	2,20,000	waived	0
Reg-27(2)	Mar-20	Late submission	189	3,78,000	0	3,78,000
Reg-34	Mar-20	Late submission	10	20,000	0	20,000
Reg-29(2) 29(3)	Dec-20	Late submission	-	10,000	0	10,000
Reg-6(1)	Dec-19	Non Compliance	-	92,000	0	92,000
Reg-6(1)	Mar-20	Non Compliance	-	91,000	0	91,000
Reg-6(1)	Jun-20	Non Compliance	-	91,000	0	91,000
Reg-6(1)	Sep-20	Non Compliance	-	92,000	waived	0
Reg-7(1)	Mar-20	Non Compliance	-	91,000	waived	0
Reg-7(1)	Jun-20	Non Compliance	-	91,000	waived	0
Reg-7(1)	Sep-20	Non Compliance	-	92,000	waived	0
					Basic Fine Levied	6,82,000
					GST @18%	1,22,760
					Net Fine Payable	**8,04,760**

Our Company paid the above fine on November 24, 2021.

Except as stated above, as on the date of the Letter of Offer there have been no disciplinary action including penalty imposed by SEBI or stock exchanges against our Company in the last five financial years including outstanding action.

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the Letter of Offer, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

GOVERNMENT AND OTHER APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorizations") from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of the Letter of Offer.

It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf.

A. **Approvals in Relation to the Issue**

1. Our Board pursuant to its resolution dated December 21, 2021 has authorized this Issue.

2. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed at the extraordinary general meeting held on January 24, 2022.

3. Our Company has obtained in-principle approval dated April 11, 2022 from BSE.

B. **Corporate / General Authorizations**

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/ Regulation	Date of Issue	Valid up to
1.	Certificate of Incorporation in the name of *'Navneet Commercial Company Limited'*	Registrar of Companies, Uttar Pradesh, Kanpur	7001 of 1985	Companies Act, 1956	February 4, 1985	Valid until cancelled
2.	Certificate of Commencement of Business	Registrar of Companies, Uttar Pradesh, Kanpur	7001 of 1985	Companies Act, 1956	April 15, 1985	Valid until cancelled
3.	Fresh Certificate of Incorporation consequent upon change of name to *"N.C.L. Research And Financial Services Limited"*	Registrar of Companies, Uttar Pradesh, Kanpur	20-07001	Companies Act, 1956	September 9, 1992	Valid until cancelled
4.	Certificate of Registration of Regional Director order for Change of State	Registrar of Companies, Mumbai	L65921MH1985PLC284739	Companies Act, 2013	August 12, 2016	Valid until cancelled
5.	Permanent Account Number (PAN)	Income Tax Department, Government of India under Income Tax Act, 1961	AAACN5752D	Income Tax Act, 1961	-	Valid until cancelled

Sr. No.	Authorization granted	Issuing Authority	Registration No./Reference No./License No.	Applicable Act/ Regulation	Date of Issue	Valid up to
6.	Tax Deduction and Collection Account Number (TAN)	Government of India	KNPN00098A	Income Tax Act, 1961	-	Valid until cancelled

C. **Material approvals in relation to our business operations:**

We require and have obtained the following material approvals in relation to our business:

1. Certificate of Registration to carry on the business of non banking financial institution issued by Reserve Bank of India under section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 12.00041 dated February 26, 1998.

2. Certificate of registration of establishment under the shops and commercial establishments legislation for our registered office.

D. **Material Licenses and Approvals for which applications have been filed by our Company:**

We have applied for registration under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

E. **Material Licenses and Approvals for which applications are yet to be filed by our Company:**

As at the date of the Letter of Offer, there are no material licenses and approvals for which our Company is yet to make any application for registration or renewal.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on December 21, 2021 pursuant to Section 62 of the Companies Act, 2013. The shareholders of our Company have authorised this Issue, pursuant to a resolution under Section 62 of the Companies Act, 2013, passed at the extraordinary general meeting held on January 24, 2022.

The Board of Directors in their meeting held on May 2, 2022 have determined the Issue Price at ₹1 per Equity Share and the Rights Entitlement as 21 Rights Equity Share(s) for every 25 fully paid up Equity Share(s) held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated April 11, 2022.

Prohibition by SEBI or other Governmental Authorities

Other than as mentioned below, our Company, our Promoters, members of our Promoter Group and our Directors are not prohibited 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 or any other regulatory or governmental authority.

As on date of this Letter of Offer, our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this 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. Further, except as stated above, there is no outstanding action initiated against our company or 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 are declared as Fugitive Economic Offenders.

Association of our Directors with securities market

None of our Directors are, in any manner, associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoters nor our Directors have been or are identified as Wilful Defaulters.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

Eligibility for this Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer Rights Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Pursuant to Clause 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 Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is less than ₹ 5,000.00 lakhs.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have represented to our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorised information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE.

Disclaimer Clause of BSE

"BSE Limited ("the Exchange") has given vide its letter dated April 11, 2022, 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:

• Warrant, certify or endorse the correctness or completeness of any of the contents of this letter of offer; or
• Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
• Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this letter of offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever"

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 Promoter, Directors, Auditors, Banker to the Company, Banker to Issue, Lead Manager 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.

Expert Opinion

Except for the reports in the section "Financial Information of the Company" on Restated Financial Information and "Statement of Tax Benefits" on page 61 and page 42, from the Statutory Auditors, our Company has not obtained any expert opinions.

Performance vis-à-vis objects – Public/Rights Issue of our Company

Our Company has not made any rights issues or public issues during the five years immediately preceding the date of this Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates

Our Company does not have any 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 BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "Stock Market Data for Equity Shares" on page 93.

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 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 Letter of Offer will be filed with the Stock Exchanges and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders' Relationship Committee. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates etc. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. The Investor complaints received by our Company are generally disposed of within 30 days from the date of receipt of the complaint.

Investors may contact our Compliance Officer or the Registrar in case of any pre-Issue/post-Issue related problems such as non-receipt of Allotment advice/demat credit/refund orders etc. The contact details of the Compliance Officer and Registrar to the Issue are as follows:

Registrar to the Issue

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400011,
Maharashtra, India
Tel No.: +91 22 2301 2518 / 8261
Email: support@purvashare.com
Investor Grievance Email: support@purvashare.com
Website: www.purvashare.com
SEBI Registration No: INR000001112
Contact Person: Deepali Dhuri, Compliance Officer

Company Secretary and Compliance Officer

Priya Mittal
79 Nagindas Master Road, Fort,
Mumbai - 400023, Maharashtra, India
Tel: +91 22 2270 3249
Website: www.nclfin.com
E-mail: ncl.research@gmail.com

SECTION VII – ISSUE RELATED 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 and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA.

Further, SEBI has pursuant to the SEBI Rights Issue Circular stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their Application. For more details, please see 'Making Application by Eligible Equity Shareholders holding Equity Shares in physical form' beginning on page 121.

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.

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 this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable laws) on the websites of:

(i) our Company at www.nclfin.com;
(ii) the Registrar at www.purvashare.com;
(iii) the Lead Manager at www.inventuremerchantbanker.com; and
(iv) the Stock Exchange at www.bseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* www.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.nclfin.com).

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of 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 this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of 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 authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Eligible Shareholders desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Eligible Shareholders should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see 'Making of an Application through the ASBA Process' beginning on page 118 of this Letter of Offer.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the 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 which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "*Grounds for Technical Rejection*" below. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process"* below.

• ***Options available to the Eligible Equity Shareholders***

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
v. renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

Eligible 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.

Eligible Shareholders should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Eligible Shareholders may apply for the Issue 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.

Eligible Shareholders while applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Do's for Shareholders applying through ASBA:

a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

c) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.

e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Shareholders applying through *ASBA:*

(a) Do not apply if you are not eligible to participate in the Issue under securities laws applicable to your jurisdiction.

(b) Do not submit the Application Form after you have submitted a plain paper Application to a designated Branch of the SCSB or *vice versa*.

(c) Do not send your physical Application to the Lead Manager, the Registrar, the 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.

• **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

i. Name of our Company, being N.C.L. Research And Financial Services Limited;
ii. 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);
iii. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;
iv. 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
v. Number of Equity Shares held as on Record Date;
vi. Allotment option – only dematerialised form;
vii. Number of Equity Shares entitled to;
viii. Number of Equity Shares applied for within the Rights Entitlements;
ix. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
x. Total number of Equity Shares applied for;
xi. Total amount paid at the rate of ₹ 1 per Equity Share;
xii. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
xiii. 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;
xiv. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
xv. 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
xvi. All such Eligible Equity Shareholders are deemed to have accepted the following:

"I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for Shareholders in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We (i) am/ are, and the person, if any, for whose account I/ we am/ are acquiring such Rights Entitlement and/ or the Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a "U.S. Person" as defined in ("Regulation S"), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Shareholders. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders' ASBA Accounts on or before the Issue Closing Date.

Acceptance of this Issue

Eligible Equity Shareholders may accept this Issue and apply for the Issue Shares 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.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected. Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section 'Making of an Application by Eligible Equity Shareholders on plain paper under ASBA Process' on page 119.

 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. 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.

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 by e-mail, 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 this Letter of Offer carefully to understand the Application process and applicable settlement process.

b. Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

c. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "*Making of an Application by Eligible Equity Shareholders on Plain Paper 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, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

e. Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

f. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Shareholders for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

g. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for

unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Shareholders for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

h. By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

i. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

j. Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

k. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

l. All communication in connection with Application for the Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

m. Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

n. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

o. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

p. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

q. Do not pay the Application Money in cash, by money order, pay order or postal order.

r. Do not submit multiple Applications.

s. No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

t. An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

• Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, the Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and this 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 s.

(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).

• ***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 on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure - Intention and extent of participation by our Promoter*" mentioned above.

• Procedure for Applications by certain categories of Shareholders

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid- up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Shareholders**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with RBI, (a) the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934 and (b) net worth certificates from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is, May 27, 2022, *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 this 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 on page 135.

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

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, 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 to the Eligible Equity Shareholders upon submission of the Application.

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. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Issue Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 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.purvashare.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.nclfin.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 INE132F20012. 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. 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. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.* www.purvashare.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send this the Letter of Offer and the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided an Indian address to our Company. This Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

This the Letter of Offer the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws) and on the Stock Exchange website. The distribution of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares and/ or the Rights Entitlements on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed,

by accepting the delivery of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Issue Shares under the laws of any jurisdiction which apply to such person.

Credit of Rights Entitlements in dematerialised account

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 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 suspended for debit / credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) instances where credit of the Rights Entitlements returned/reversed/failed; or (f) Equity Shares, the ownership of which is currently under dispute, including in any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self- attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

• ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

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• ***Renunciation of Rights Entitlements***

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

• ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker

regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Issue Equity Shares.
₹1 per Issue Share (including premium of ₹Nil per Issue Share) shall be payable on Application.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Eligible 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 INE132F20012 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.

Since we are a BSE SME listed company. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from May 16, 2022 to May 23, 2022 (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 INE132F20012 and indicating the details of the Rights Entitlements they intend to trade. The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+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 INE132F20012, 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's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 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.

- **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 21Rights Equity Shares for every 25 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 25 Equity Shares or is not in the multiple of 25 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 24 Equity Shares, such Equity Shareholder will be entitled to 20 Rights Equity Share and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than two Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

• Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The 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 the Stock Exchanges. 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 through letter bearing reference number DCS/RIGHT/KK/FIP/2104/2022-23 dated April 11, 2022. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 530557) under the ISIN: INE132F01038. 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 new 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 four 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 four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our 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 this Letter of Offer; and
f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act,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 Issue 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 1 Equity Shares and hence, no arrangements for disposal of odd lots are required.

• Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send, primarily through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. This Letter of Offer will be

provided, primarily through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional language newspaper with wide circulation in Mumbai, where our Registered Office is situated.

This Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

• **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.purvashare.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access this Draft Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at www.purvashare.com.

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE:

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	May 13, 2022
ISSUE OPENING DATE	May 16, 2022
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS#	May 23, 2022
ISSUE CLOSING DATE*	May 27, 2022
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	June 6, 2022
DATE OF ALLOTMENT (ON OR ABOUT)	June 7, 2022
DATE OF CREDIT (ON OR ABOUT)	June 8, 2022
DATE OF LISTING (ON OR ABOUT)	June 10, 2022

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, May 27, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, *i.e.*, May 27, 2022. 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.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the 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'.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

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 issue/ 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 on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company and our Directors who are officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors 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.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Credit and Transfer of the Rights Equity Shares in case of the Eligible Equity Shareholders holding the Equity Shares in physical form and treatment of such Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of allotment to the Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:
a. The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be opened by our Company;

b. Within 6 months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery;

c. Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

d. In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchange at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchange after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the amount paid by such Eligible Equity Shareholders at the time of subscribing such shares;

e. Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updating the details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;

After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges;

f. If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law; and

g. In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold the Equity Shares in physical form as on at least two Working Days prior to the Issue Closing Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares on the Rights Equity Shares, as permitted under applicable laws.

4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non- availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

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.

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:

• 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.

• 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.

• The responsibility for correctness of information filled in the Application Form *vis-a- vis* such information with the Shareholders's 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's depository participant.

• 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.

• 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.

• 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.

• 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
a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
b) 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
c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than Rs. 10 Lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 50 Lakhs or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

D. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

i. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

ii. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

iii. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

iv. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

v. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

vi. Adequate arrangements shall be made to collect all ASBA Applications.

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

viii. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.

ix. Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1) Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**N.C.L. Research And Financial Services Limited – Rights Issue**" on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Purva Sharegistry (India) Private Limited
9, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Opp. Kasturba Hospital Lane,
Lower Parel (E), Mumbai – 400011,
Maharashtra, India
Tel No.: +91 22 2301 2518 / 8261
Email: support@purvashare.com
Investor Grievance Email: support@purvashare.com
Website: www.purvashare.com
SEBI Registration No: INR000001112
Contact Person: Deepali Dhuri, Compliance Officer

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.purvashare.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 22 2301 2518 / 8261.

4) The Shareholders can visit www.purvashare.com for the below-mentioned purposes also:

i. Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders.

ii. Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company.

iii. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form.

iv. Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the "Department of Industrial Policy and Promotion") ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Circular 2020**"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Managers and our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

SECTION IX – OTHER INFORMATION
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of filing of the Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Issue Agreement dated March 14, 2022 between our Company and the Lead Manager.
2. Agreement between Purva Sharegistry (India) Private Limited and our Company dated March 15, 2022 appointing them as the Registrar to the Issue.
3. Rights Issue Account Agreement dated April 20, 2022 among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

Material Documents

1. Certificate of Incorporation of our Company dated February 4, 1985 issued by the Registrar of Companies.

2. Certificate of Commencement of Business dated April 15, 1985 issued by the Registrar of Companies.

3. Certificate of incorporation consequent upon change in name of our Company.

4. Certified true copy of the Memorandum and Articles of Association of our Company, as amended.

5. Copy of the resolution passed at the meeting of the Board of Directors dated December 21, 2021 authorizing the Rights Issue.

6. Copy of the shareholders resolution passed *vide* the extraordinary general meeting held on January 24, 2022 authorising the Rights Issue.

7. Resolution passed by our Board dated May 2, 2022 determining the Record Date.

8. Resolution of our Board dated May 2, 2022, approving the Issue and finalizing the terms of the Issue including Issue Price and Rights Entitlement ratio.

9. Consents of our Directors, Company Secretary, Compliance Officer, Statutory Auditors, the Lead Manager, legal counsel to the Issue, Bankers to our Company and the Registrar to the Issue for inclusion of their names in this Letter of Offer to act in their respective capacities.

10. Annual Reports of our Company for Fiscals 2021, 2020, 2019, 2018 and 2017 and the limited review report for the three months period ended December 31, 2021.

11. The restated audit report dated March 15, 2022 of the Statutory Auditor, on our Company's Restated Financial Statements, included in this Letter of Offer.

12. Statement of Tax Benefits report by our statutory auditors, M/s. DBS & Associates, Chartered Accountants, dated March 15, 2022.

13. In-principle approval dated April 11, 2022 issued by BSE, respectively under Regulation 28(1) of the SEBI Listing Regulations.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

Signed by all the Directors of N.C.L. Research And Financial Services Limited

Name and designation	Signature
Goutam Bose *Managing Director*	
Swagata Dasgupta *Independent Director*	
Rajeshwari Bangal *Independent Director*	
Amita Bose *Independent Director*	

Signed by the – Chief Financial Officer

Pravin P. Talwatkar
Chief Financial Officer

Place: Mumbai

Date: May 2, 2022