



**Draft Letter of Offer**  
**Dated: September 26, 2024**  
**For Eligible Equity Shareholders only**

**Interactive Financial Services Limited**  
**CIN: L65910GJ1994PLC023393**

Our Company was incorporated as a Public limited company under the Companies Act, 1956 in the name of “Interactive Financial Services Limited” vide Certificate of Incorporation dated October 24, 1994 with the Registrar of Companies, Ahmedabad. The Company obtained the Certificate of Commencement of business on November 1, 1994. Our company came out with the Initial Public Offer (IPO) in January, 1996 for 10,00,000 equity shares having face value of Rs.10 at a price of Rs.10 aggregating Rs. 1,00,00,000 (Rupees One crore only) for carrying out the fund-based activities like investment, Lease financing and short-term loans. Our company got listed on Ahmedabad Stock Exchange and Madras Stock Exchange. Pursuant to direct listing our Company got listed on BSE Limited on March 03, 2016.

**REGISTERED OFFICE:** 508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015  
**TELEPHONE NO.:** 079-4908 8019; **Website:** www.ifinservices.in; **E-Mail:** info@ifinservices.in  
**Contact Person:** Jaini Jain, Company Secretary and Compliance Officer

**THE COMPANY IS A PROFESSIONALLY MANAGED COMPANY AND FUNCTIONS THROUGH THEIR BOARD OF DIRECTORS. THE COMPANY DOESN'T HAVE ANY IDENTIFIABLE PROMOTER.**

**FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF INTERACTIVE FINANCIAL SERVICES LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY**

**ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE “RIGHTS EQUITY SHARES”) FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹ [●] CRORE ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], 2024 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 123 OF THIS DRAFT LETTER OF OFFER.**

**PAYMENT SCHEDULE FOR THE RIGHTS EQUITY SHARES**

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*	FACE VALUE (₹)	PREMIUM (₹)	TOTAL(₹)
On Application	10.00	[●]	[●]
Total (₹)	10.00	[●]	[●]

\* For further details on Payment Schedule, see “Terms of the Issue” on page 123.

**WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)**

Neither our Company nor any of our directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s) by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines issued by the Reserve Bank of India.

**GENERAL RISKS**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India (“SEBI”) nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no.17 of this Draft Letter of Offer.

**COMPANY’S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

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

**REGISTRAR TO THE ISSUE**



**BIGSHARE SERVICES PRIVATE LIMITED**  
**ADDRESS:** Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093  
**Tel no.:** +91-022-62638200  
**Fax No.:** +91-022-62638299  
**Website:** www.bigshareonline.com  
**E-Mail:** rightsissue@bigshareonline.com  
**Investor Grievance Email:** investor@bigshareonline.com  
**Contact Person:** Mr. Suraj Gupta  
**SEBI Reg. No.:** INR000001385

**ISSUE PROGRAMME**

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

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

\*\* Our Board of Directors 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.

*(This page has been intentionally left blank)*

Contents	Page No.
<b>SECTION I – GENERAL</b>	
Definitions and Abbreviations	1
General Terms	1
Company Related Terms	1
Issue Related Terms	2
Technical and Industry Related Terms	6
Conventional Terms and Abbreviations	7
Notice to Investors	10
Presentation of Financial, Industry and Market Data	12
Forward Looking Statements	13
<b>Summary Of Issue Document</b>	<b>15</b>
<b>SECTION II – RISK FACTORS</b>	<b>17</b>
<b>SECTION III – INTRODUCTION</b>	
The Issue	26
Summary of Our Financial Information	27
General Information	30
Capital Structure	35
<b>SECTION IV – PARTICULARS OF THE ISSUE</b>	
Objects of the Issue	37
Statement of Special Tax Benefits	42
<b>SECTION V – ABOUT COMPANY</b>	
Industry Overview	45
Business Overview	51
Our Management	56
<b>SECTION VI – FINANCIAL INFORMATION</b>	
Audited Financial Statements	60
Management's Discussion and Analysis of Financial Condition and Results of Operations	105
Market Price Information	111
<b>SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION</b>	
Outstanding Litigation and Material Developments	113
Government and Other Statutory Approvals	114
Other Regulatory and Statutory Disclosures	115
<b>SECTION VIII – ISSUE RELATED INFORMATION</b>	
Terms of The Issue	123
Restrictions on Foreign Ownership of Indian Securities	152
<b>SECTION IX – STATUTORY &amp; OTHER INFORMATION</b>	<b>156</b>
<b>SECTION X – OTHER INFORMATION</b>	
Material Contracts and Documents for Inspection	157
<b>SECTION XI – DECLARATION</b>	<b>158</b>

## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made there under. Notwithstanding the foregoing, terms used in sections/ chapters titled “Industry Overview”, “Statement of Tax Benefits, Financial Information “Outstanding Litigation and Material Developments” and “Terms of issue” on pages 45, 42, 113, and 123 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

#### GENERAL TERMS

Term	Description
“IFSL”, “Interactive”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Interactive Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and having Registered Office at 508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Ahmadabad City, Gujarat, India, 380015

#### COMPANY RELATED TERMS

Term	Description
Articles / Articles of Association/AOA	Articles of Association of our Company as amended from time to time
Audited Financial Statements	The audited financial statements of our Company for the financial year ended March 31, 2024 which comprises of the balance sheet as at March 31, 2024, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity for the year ended March 31, 2024, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “Audited Financial Statement” on page 60 of this Draft Letter of Offer.
Auditors of the Company	The Statutory auditors of our Company, being M/s B. T. Vora & Co., Chartered Accountants.
Audit Committee	The Board of Directors of our Company constituted audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013.
Associate Companies	A body corporate in which our company has a significant influence and includes a joint venture company.
Board of Directors / Board	The Board of Directors of our Company or a committee constituted thereof
Company Secretary and Compliance Officer	The Company Secretary of our Company, being Jaini Jain.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Pradip Ramprasad Sandhir.

Act or Companies Act	Companies Act, 1956 and/ or the Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number
CMD	Chairman and Managing Director
Depositories Act	The Depositories Act, 1996, as amended from time to time
Director(s)	Director(s) of Interactive Financial Services Limited unless otherwise specified
Equity Shares	Equity Shares of our Company having Face Value of 10 each unless otherwise specified in the context thereof.
Equity Shareholders /Shareholders	Persons /entities holding Equity Shares of our Company.
ED	Executive Director
Group Companies	Companies (other than our Corporate Promoters and Subsidiaries) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards.
Independent Director	Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to chapter titled “Our Management” beginning on page 56 of this Draft Letter of Offer.
Ind AS	Indian Accounting Standards
ISIN	International Securities Identification Number is INE064T01018
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately below the Board of Directors as described in the section titled “Our Management” on page no. 56 of this Draft Letter of Offer
MD	Managing Director
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on August 29, 2024 in accordance with the requirements of the SEBI (ICDR)Regulations, 2018 as amended from time to time
MOA/ Memorandum of Association	Memorandum of Association of our Company as amended from time to time
Nomination & Remuneration Committee	The Nomination and Remuneration Committee of our Board described in the chapter titled “Our Management” on page 56 of this Draft Letter of Offer.
Registered Office	The Registered office of our Company, located at Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380015 Gujarat, India.
ROC/Registrar of Companies	Registrar of Companies, Ahmedabad.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. B. T. Vora & Co, Chartered Accountants
PLC	Public Limited Company
PTC	Private Limited Company
Stakeholder’s Relationship Committee	The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholder’s Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “Our Management” on page 56 of this Draft Letter of Offer.
WTD	Whole Time Director

## ISSUE RELATED TERMS

Terms	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 / Additional Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allot / Allotment / Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which 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.
Allotment 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, [●].
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 this Draft Letter of Offer.
Application	Application made through submission of the Common Application Form or plain paper Application to the Designated Branch(es) 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 / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of the Rights Equity Shares in the 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 ASBA Applicants to make an Application authorizing the SCSB to block the amount payable on application in the ASBA Account maintained with such SCSB.
ASBA Account	Account maintained with a SCSB and as specified in the Common Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Common Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Circulars	Collectively, the SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, the SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Banker to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being ICICI Bank Limited.
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, and the Banker to the Issue for receipt of the Application Money.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “Terms of the Issue” on page 123 of this Draft Letter of Offer.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> , 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, name of the Investor's father/husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	This draft letter of offer dated September 26, 2024, filed with the Stock Exchange, for its observations and In-principal approval.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "Notice to Investors" on page 10 of this Draft Letter of Offer.
Entitlement Letter/ Rights Entitlement Letter	A letter to be dispatched by the Registrar to all Existing Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date.
Issue / Rights Issue	Issue of up to [●] Rights Equity Shares for cash at a price of ₹ [●] per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 1200 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●]. *Assuming full subscription
Issue Closing Date	[●]
Issue Materials	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Common Application Form and Rights Entitlement Letter, any other issue material relating to the Issue.
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants / Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹ 1200.00 *Assuming full subscription
Letter of Offer / LOF	The letter of offer dated [●] filed with the Stock Exchanges and to be submitted with SEBI for information and dissemination purpose.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue related expenses. For details, see "Objects of the Issue" on page 37 of the Draft Letter of Offer.
Non-Institutional Bidders /	An Investor other than a Retail Individual Investor or Qualified Institutional

NIIs	Buyer as defined under Regulation 2(1) (jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
Refund Bank	The Banker to the Issue with whom the Refund Account will be opened, in this case being [●].
Registrar to the Issue / Registrar	Bigshare Services Private Limited
Registrar Agreement	Agreement dated September 03, 2024, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circular, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounces on or prior to the Issue Closing Date i.e. [●].
Retail Individual Bidders(s) / Retail Individual Investor(s) / RII(s) / RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares/ Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> ,



	updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
Stock Exchanges	Stock exchanges where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter / Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations.
Working Day	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

#### TECHNICAL AND INDUSTRY RELATED TERMS

Term	Description
AMFI	Association of Mutual Funds in India
B2B	Business 2 Business
BSE	Bombay Stock Exchange
CBDC	Central Bank Digital Currency
CAGR	Compound Annual Growth Rate
SME	Small and Medium-Sized Enterprises
HNI	High-Net-Worth Individuals
UHNWI	Ultra-High-Net-Worth Individuals
AUM	Assets Under Management
WM	Wealth Management
REIT	Real Estate Investment Trust
AUA	Assets Under Advisory
BCG	Boston Consulting Group
RBI	Reserve Bank of India
MSMEs	Micro, Small and Medium Enterprises
SMEs	Small and Medium Enterprises
MUDRA	Micro Units Development and Refinance Agency
SIP	Systematic Investment Plans
US\$	United States Dollar
IPOs	Initial Public Offerings
FIA	Futures Industry Association
WFE	World Federation of Exchanges
UPI	Unified Payments Interface
IMPS	Immediate Payment Service
DHFL	Dewan Housing Finance Corporation
CGTMSE	Credit Guarantee Fund Trust for Micro and Small Enterprises
NPCI	National Payments Corporation of India
NIPL	NPCI International Payments
NBFC-MFIs	Non-Banking Financial Companies – Micro-Finance Institutions
QR code	Quick Response Code
SEBI	Securities and Exchange Board of India

QFIs	Qualified Foreign Investors
FPIs	Foreign Portfolio Investors
UK	United Kingdom
MOU	Memorandum Of Understanding

#### CONVENTIONAL AND GENERAL TERMS/ ABBREVIATIONS

Term	Description
A/c	Account
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time
AGM	Annual General Meeting
AIF(s)	Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations
ASBA	Application Supported by Blocked Amount
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
AY	Assessment Year
Bn	Billion
BG	Bank Guarantee
BHIM	Bharat Interface for Money
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation Allocation Note
CARO	Companies (Auditor's Report) Order, 2016, as amended
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CRR	Cash Reserve Ratio
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996 as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018, as amended from time to time
DIN	Director's Identification Number
DP/Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996
DP ID	Depository Participant's Identification Number
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization
ECS	Electronic Clearing System
EGM	Extraordinary General Meeting
EPS	Earnings Per Share i.e., profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year
FDI	Foreign Direct Investment
Financial Year/ Fiscal Year/ FY	The period of twelve months ended March 31 of that particular year
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there-under and as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions

FIPB	Foreign Investment Promotion Board
FPI	Foreign Portfolio Investor
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time
GDP	Gross Domestic Product
GIR Number	General Index Registry Number
Gov/Government/GOI	Government of India
GST Act	The Central Goods and Services Tax Act, 2017
GST	Goods and Services Tax
GSTIN	GST Identification Number
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IFRS	International Financial Reporting Standard
I.T. Act	Income Tax Act, 1961, as amended from time to time
INR/ Rs. / Rupees / ₹	Indian Rupees, the legal currency of the Republic of India
KMP	Key Managerial Personnel
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Minister of Finance, Government of India
MOU	Memorandum of Understanding
MSMEs	Micro, Small & Medium Enterprises
NA	Not Applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NEFT	National Electronic Fund Transfer
NPCI	National Payments Corporation of India
NOC	No Objection Certificate
NR/ Non-Residents	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price/ Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Person of Indian Origin
PLR	Prime Lending Rate
RBI	Reserve Bank of India
R & D	Research and Development

RBI Act	Reserve Bank of India Act, 1934, as amended from time to time
RONW	Return on Net Worth
ROCE	Return on Capital Employed
RTGS	Real Time Gross Settlement
SAT	Security Appellate Tribunal
SCRA	Securities Contracts (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, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations /ICDR Regulations/SEBI ICDR /ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI Rules and Regulations	SEBI ICDR Regulations, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section
Securities Act	The U.S. Securities Act of 1933, as amended.
SENSEX	Stock Exchange Sensitive Index
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SME	Small And Medium Enterprises
SME Exchange	SME Platform of BSE Limited
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time
State Government	The Government of a State of India
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE Limited
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TDS	Tax Deducted at Source
TIN	Tax payer Identification Number
Tn	Trillion
UIN	Unique Identification Number
U.S. GAAP	Generally accepted accounting principles in the United States of America.
VCFs	Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations. In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.
YoY	Year on Year

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. For more details see, “Restrictions on Foreign Ownership of Indian Securities” beginning on page 152.

The Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “Issue Materials”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

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

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent to the registered email addresses of such Eligible Equity Shareholders.

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

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

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

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

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

The Issue Materials are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

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

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

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

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

## **PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA**

### **Certain Conventions**

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to (i) the 'US' or 'U.S.' or the 'United States' are to the United States of America, its territories and possessions, any state of the United States, and the District of Columbia; (ii) 'India' are to the Republic of India and its territories and possessions; and (iii) the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable.

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

### **Financial Data**

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from our audited financial statements for the year ended on March 31, 2024, 2023, and 2022 prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Ind AS which are included in this Draft Letter of Offer, and set out in the section titled 'Audited Financial Statement' beginning on page no. 60 of this Draft Letter of Offer. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In this Draft Letter of Offer, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

The degree to which the restated financial statements included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Letter of Offer should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled 'Risk Factors', and 'Business Overview' beginning on page 17, and 51 respectively of this Draft Letter of Offer and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Ind AS, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Ind AS.

### **Industry and Market Data**

Unless stated otherwise, industry data used throughout this Draft Letter of Offer has been obtained or derived from 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 Draft Letter of Offer is reliable, it has not been independently verified.

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

### **Currency and units of presentation**

In this Draft Letter of Offer, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lacs' and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

## FORWARD - LOOKING STATEMENTS

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

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

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

- Changes in laws and regulations relating to the sectors/areas in which we operate
- Increased competition in Financial Services Industry;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Our ability to meet our further capital expenditure requirements;
- Our ability to attract and retain qualified personnel.
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries.
- Our ability to manage risks that arise from above factors.
- Changes in government policies and regulatory actions that apply to or affect our business.
- The performance of the financial markets in India and globally.
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition and
- Inability to adequately protect our trademarks.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*” and “*Business Overview*” beginning on pages 17 and 51, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.



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

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

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

## SUMMARY OF ISSUE DOCUMENT

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including, "Risk Factors", "Objects of the Issue", "Business Overview" and "Outstanding Litigation and Defaults" on pages 17, 37, 51 and 113 in this Draft Letter of Offer.

### A. SUMMARY OF BUSINESS

For the Investment banking activity, Our Company is registered with SEBI having Registration No. INM000012856 dated September 27, 2021 as Category-I Merchant Banker. We provide services in various areas of capital markets which include Merchant Banking Services, and Corporate Advisory Services under one roof that and well diversified for financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations and other Merchant Banking Services.

For more details, please refer chapter titled "Business Overview" on page 51 of this Draft Letter of Offer.

### B. OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects ("Objects of the Issue"):

#### Net Proceeds

The details of the Net Proceeds are set forth below:

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Gross proceeds from the issue*	[●]
2.	Less: Issue Related Expenses**	[●]
<b>Net proceeds of the issue**</b>		<b>Upto ₹1200.00</b>

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

\*\* To be finalized upon determination of the Issue Price and updated in the Letter of Offer. Please see "Estimated Issue Expenses" on page 40.

#### Schedule of implementation, requirement of funds and utilization of net proceeds

The Net Proceeds are proposed to be utilised and are currently expected to be deployed in accordance with the schedule set forth below:

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2024-2025
1.	Setting up of Office Space	304.50	14.50	304.50
2.	Increase Net worth of the Company	[●]	Nil	[●]
3.	General corporate purposes <sup>1</sup>	[●]	Nil	[●]
	<b>Total</b>	<b>Upto 1200.00</b>	<b>14.50</b>	<b>Upto 1200.00</b>

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

### C. INTENTION AND EXTENT OF PARTICIPATION BY OUR PROMOTERS AND PROMOTER GROUP IN THE ISSUE:

Our Company does not have any promoter. Shares are owned by public and Company is operated and run by professional management. Since there is no promoter in the Company, the participation by promoters in the Issue doesn't arise.

### D. SUMMARY OF OUTSTANDING LITIGATION

There is no criminal, commercial litigation or commercial arbitration pending against our company or our directors in capacity of company's authorised signatory or director. Also, there is no pending or even initiated pending case against our Directors as well.

For further details, please refer chapter titled "Outstanding Litigations & Material Developments" beginning on page 113 of this Draft Letter of Offer.

#### **E. RISK FACTORS**

For details relating to risk factors, please refer section titled "Risk Factors" on page 17 of this Draft Letter of Offer.

#### **F. SUMMARY OF CONTINGENT LIABILITIES**

As of now there is no contingent liability which can disturb our historical or projected financial or any activity of Company, subject to govt. guidelines and actions.

#### **G. SUMMARY OF RELATED PARTY TRANSACTIONS**

For details regarding our related party transactions for the year ended on March 31, 2024, see "Related party Disclosure" at page 96 of this Draft Letter of Offer.

#### **H. ISSUE OF EQUITY SHARES MADE IN LAST ONE YEAR FOR CONSIDERATION OTHER THAN CASH**

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

## SECTION II- RISK FACTORS

Investment in the Equity Shares involves a high degree of risk. You should carefully consider all of the information in this Draft Letter of Offer, including the risks and uncertainties described below and the Financial Statements incorporated in this Draft Letter of Offer, before making an investment in the Equity Shares of our Company. Any potential investor in, and subscribers of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved. If any or some combination of the following risks occur or if any of the risks that are currently not known or deemed to be not relevant or material now, actually occur, our business, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For further details, please refer to chapters titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 51 and 105, respectively of this Draft Letter of Offer, as well as the other financial and statistical information contained in this Draft Letter of Offer. If our business, results of operations or financial condition suffers, the price of the Equity Shares and the value of your investments therein could decline.

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

- Some risks may not be material at present but may have a material impact in the near future.
- Some risks may not be material individually but may be found material when considered collectively
- Some risks may have material impact qualitatively and not quantitatively and vice-versa

We have described the risks and uncertainties that our management believes are material, but these risks and uncertainties may not be the only ones we face. Additional risks and uncertainties, including those we are not aware of, or deem immaterial or irrelevant, may also result in decreased revenues, increased expenses or other events that could result in a decline in the value of the Equity Shares and may also have an adverse effect on our business. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

For further details, please refer to chapter titled “Forward-Looking Statements” beginning on page 13 of this Draft Letter of Offer. Unless otherwise indicated, all financial information included herein are based on our Financial Statements. Please refer to the section titled “Audited Financial Statement” beginning on page 60 of this Draft Letter of Offer.

### **Internal Risk Factors:**

#### **1. *General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

Our business is highly dependent on economic and market conditions in India. General economic and political conditions in India, such as macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, consumer confidence, currency and interest rate fluctuations, availability of short-term and long-term market funding sources and cost of funding, could affect our business. Global economic and political conditions may also adversely affect the Indian economic conditions. Market conditions may change rapidly and the Indian capital markets have experienced significant volatility in the past.

Our brokerage business is highly dependent upon the levels of activity in the securities markets in India and in particular, upon the volume of financial assets traded, the number of listed securities, the number of new listings

and subsequent issuances, liquidity and changes in investor sentiment. Any adverse changes in such factors, as a result of general economic or market conditions or otherwise, could materially adversely affect our business, financial condition, cash flows and results of operations.

In addition, we are highly susceptible to downturns in general economic conditions and adverse market conditions as they could materially and adversely affect most aspects of our business. Such downturns affect our business, results of operations, financial condition, cash flows and prospects in various ways, including but not limited to the following:

- the volume of trading in securities that we offer in our brokerage business may be adversely affected by market movements and volatility, thereby reducing our brokerage revenues;
- the volume and number of fund raisings could significantly decline, thereby affecting our revenues from our merchant banking business;
- we may face higher risk of defaults by customers or counterparties on their contractual obligations;
- we may face increased competition in all our businesses, leading to lower fees and commissions and lower income;
- our financing costs may increase due to the limited access to liquidity and the capital markets, thereby restricting our ability to raise funding to develop our business; and
- we may not be able to effectively execute our business plans and strategies.

We have grown significantly in the recent past, with our total revenues increasing from ₹ 306.65 Lacs in fiscal 2024 to ₹ 155.77 Lakhs in fiscal 2023. We believe that this growth has been largely influenced by general macroeconomic conditions and rising capital markets in India. Any adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

***2. Our Company has been subject to certain penal actions from the Stock Exchanges in the past. There can be no assurance that we will not be subjected to such penalties in the future, which may in turn adversely affect our financial conditions, our operations and profitability.***

The BSE has imposed a penalty of Rs.1,08,560/- for violation of Regulation 7(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI “LODR” Regulations) for not appointing the Share Transfer Agent for the Quarter ended September 30, 2020 as per the List of Non-compliant companies issued by the stock exchange. The same has been not appear in the list for Quarter December, 2020.

Further, The Company has appointed M/s Satellite Corporate Services Private Limited as a Share Transfer Agent from the FY 2015-16 and the same has been continue since FY 2015-16 and there is no period from that without Share Transfer Agent. Additionally, no further information is available in the said case with the Company neither stock exchange has raised any further notice or any action in the said matter.

There can be no assurance that we will not be subjected to such further penalties in the future from the Stock Exchanges or any other regulators. Future instances of levy of any material penalties against our Company could adversely affect our financial conditions, our operations and profitability. For further details, please see chapter titled “Outstanding Litigations and Material Developments” at page 113 of this Draft Letter of Offer.

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

Our business is subject to extensive statutory and regulatory oversight, which significantly impacts our operations. We are periodically inspected by regulatory authorities such as SEBI, and any adverse findings during these inspections could materially affect our business and financial results. In the past, we have received administrative warnings regarding non-compliance with certain provisions of the Merchant Banking Regulations and aspects of our due diligence processes in IPOs. Any future lapses in our operations may result in penalties, which could negatively impact our financial performance.

***4. We are dependent on a number of Key Managerial Personnel and our senior management, and the loss of, or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts, expertise and abilities of our Key Managerial Personnel, senior management, and our operational personnel who possess significant experience in the industry in which we operate. We believe that the inputs and experience of our KMP and senior management, in particular, and other key personnel are valuable for the development of our business, operations and the strategic directions taken by our Company. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. Moreover, we may be required to substantially increase the number of our qualified personnel in connection with SEBI Consultation Paper on Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 dated August 28, 2024 and/or any future growth plans, and we may face difficulty in doing so due to the intense competition in the technology industry for such personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past in order to remain competitive in retaining.

**5. *Downturns or disruptions in the securities markets could reduce no. of IPOs and other Capital Market activities volumes and could cause a decline in the business and impact our profitability.***

Our revenues, level of operations and, consequently, our profitability are dependent on favourable capital market conditions, regulatory and political environment, investor sentiment, price levels of securities and other factors that affect the volume of no. of IPOs and other fund raising activity through Capital Market in India and the level of interest in Indian business developments. In recent years, the Indian and world securities markets have fluctuated considerably and a downturn in these markets could adversely affect our operating results. Revenues are likely to decline during sustained periods of reduced no. of IPOs, hence our profit margins may be adversely affected if we are unable to reduce our expenses at the same pace as the decline in revenues.

Further we are investing our funds into Equity Market for better return. Decreases in equity prices or decreased trading activity could have an adverse effect on our business, financial condition and operating results.

**6. *We do not own our Registered Office which is being used by us currently.***

Our Registered Office premise which is situated at Office No. 508, Fifth Floor, Priviera, Nehru Nagar, Ahmedabad - 380 015 Gujarat is taken on leasehold basis from Purven Vyas through his POA Holder Bhadreshbhai Vyas for period commencing from October 01, 2023 for 11 months and 29 days at a monthly rent of Rs. 60,000/- per month and this lease can be extended further by both parties with their mutual consent on the basis of prevailing rental value in the market. There can be no assurance that the term of the agreements will be either continued or renewed for further period, and in such event the lessor/licensor terminates or does not renew the agreements, we may require to vacate the registered office premises and identify alternative premises and enter into fresh lease or leave and license agreement. One of the Object of the issue is to acquire the premises which can be used as Registered office. Such a situation could result into loss of business, time overruns and may adversely affect our operations, profitability and Brand image also for further details, please see paragraph titled "Properties" under the chapter titled "***Business Overview***" beginning on page no. 51 of this Draft Letter of Offer.

**7. *Employee fraud or misconduct could harm us by impairing our ability to attract and retain clients and subject us to significant legal liability and reputational harm.***

Our business is exposed to risks of employee misappropriation, fraud, or misconduct. Employees may misuse or improperly disclose confidential information, potentially leading to regulatory sanctions and significant reputational or financial damage. Although we implement various internal control measures, including the Securities Disclosure Driven (SDD) System, to monitor, detect, and prevent such actions, it may not be possible to fully eliminate these risks in all cases. Additionally, our reliance on automated systems for recording and processing transactions heightens the risk of losses due to technical flaws or employee tampering, which may be difficult to detect and mitigate. While we have not been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings, penalties or other actions in connection with any such unauthorized transaction, fraud or misappropriation by our agents or employees, which could adversely affect our goodwill, business prospects and future financial performance. We may also be required to make good any monetary loss to the affected party. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

**8. *We continue to explore the diversification of our business and the implementation of new services. These diversifications and our other strategic initiatives may not be successful, which may adversely affect our business and results of operations.***


In order to achieve our goal, we are constantly evaluating the possibilities of expanding our business through new models, innovations and/or starting new services. Although we believe that there are synergies between our current business and our expansion plans, we do have experience or expertise in these new areas. These new businesses and modes of delivery and the implementation of our strategic initiatives may pose significant challenges to our administrative, financial and operational resources, and additional risks, including some of which we are not aware of. The early stages and evolving nature of some of our businesses also make it difficult to predict competition and consumer demand therein. Our strategic initiatives require capital and other resources, as well as management attention, which could place a burden on our resources and abilities. In addition, we cannot assure you that we will be successful in implementing any or all of our key strategic initiatives. If we are unable to successfully implement some or all of our key strategic initiatives in an effective and timely manner, or at all, our ability to maintain and improve our leading market position may be negatively impacted, which may have an adverse effect on our business and prospects, competitiveness, market position, brand name, financial condition and results of operations.

**9. *We face intense competition in our businesses, which may limit our growth and prospects. Our Company faces significant competition from other financial advisors.***

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. 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.

**10. The Logo  which is being used by us, is yet not registered with the Trade Marks and patents Authority**

We are currently using our logo  as our brand name without having applied for its registration with the Trademark and Patent authorities. Operating in a highly competitive environment, particularly in the merchant banking sector where brand recognition and reputation are crucial, we have built a strong image and gained recognition among leading financial advisors. This reputation is a key element of our business strategy and overall success.

However, the absence of a registered trademark for our logo may limit our ability to enforce or protect our intellectual property rights under the Trademarks Act, 1999. Without such statutory protection, we face the risk of misuse or unauthorized use of our brand and designs by competitors, which could harm our reputation, business prospects, and goodwill. In the event of infringement, we may not be able to effectively prevent the misuse of our logo or seek legal remedies, which could potentially result in a loss of market position and competitive advantage.

**11. *If we are unable to source business opportunities effectively, we may not achieve our financial objectives.***

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

**12. Brand recognition is important to the success of our business, and our inability to build and maintain our brand names will harm our business, financial condition and results of operation.**

Brand recognition is important to the success of our business. Establishing and maintaining our brand name in the industry or for people relying on services is critical to the success of the customer acquisition process of our business. Although, we expect to allocate significant number of resources, financial and otherwise, on establishing and maintaining our brands, no assurance can be given that our brand names will be effective in attracting and growing user and client base for our businesses or that such effort will be cost-effective, which may negatively affect our business, financial condition and results of operations.

**13. Significant security breaches in our computer systems and network infrastructure and fraud could adversely impact our business.**

We seek to protect all the computer systems and network infrastructure in our offices from physical break-ins as well as security breaches and other disruptive problems. Our systems are potentially vulnerable to data security breaches, whether by our employees, or our service providers or others that may expose sensitive data to unauthorized persons. Computer break-ins and power disruptions could affect the security of information stored in and transmitted through these computer systems and networks.

Also, there was an instance where our servers were under ransom attack and due to which our data got lost and got corrupted. To address these issues and to minimise the risk of security breaches we employ security systems, including firewalls and intrusion detection systems, conduct periodic testing for identification and assessment of potential vulnerabilities. However, these systems may not guarantee prevention of frauds, break-ins, damage and failure. A significant failure in security measures could have an adverse effect on our business. Data security breaches could lead to the loss of intellectual property or could lead to the public exposure of personal information (including sensitive financial and personal information) of our clients, investors or our employees. Any such security breaches or compromises of technology systems could result in institution of legal proceedings against us and potential imposition of penalties, which may have an adverse effect on our business and reputation.

**14. Our Company may have potential conflicts of interest with our Group Company(s) as they have been authorized and engaged in similar line of business.**

Our Managing Director, Mr. Pradeep Sandhir, also serves as a Director at Beeline Broking Limited, a broking firm and Category I Merchant Banker. While Beeline Broking Limited is currently focused on broking activities and is not engaged in any merchant banking assignments, it is possible that our group company may undertake operations similar to ours in the future. For more information, refer to the Chapter titled "Our Management" on page 56 of this Draft Letter of Offer.

Our company has not entered into any non-compete agreements with these group companies, and as a result, there is no assurance that conflicts of interest will not arise when allocating business opportunities and strategies between our company and our group companies, especially when our interests diverge. In such cases, our Promoter may prioritize the interests of other companies in which they hold a stake. Any such conflict of interest may adversely affect our business, financial condition and results of operations of our Company.

**15. We have not entered into any long-term contracts with any of our customers and typically operate on the basis of work orders, which could adversely impact our revenue and profitability.**

We do not have long-term contracts with our customers, and our services are provided on an assignment-to-assignment basis, such as for IPOs, Bonus Issues, Rights Issues, Preferential Issues, Demergers, Mergers, Buybacks, and De-listings. While mandates may be signed for specific assignments, customers retain the right to terminate the relationship with notice, based on mutually agreed terms. This could materially and adversely affect our business. Although we maintain strong business relationships and have historically received repeat business from our clients, there is no guarantee that this will continue, which may impact our future profitability.

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

We have entered into certain transactions with related parties which are in compliance with Company Law and other applicable laws with our Directors and KMPs. While we believe that all such transactions are conducted



on arm's length basis, there can be no assurance that we could not have achieved more favorable terms had such transactions were not entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operation. For details on the transactions entered by us, please see "Related Party Disclosure" under the chapter "Audited Financial Statement" beginning on page 96 of this Draft Letter of Offer.

**17. *Our financing requirements and the deployment of the net proceeds of the Issue are based on management estimates and have not been independently appraised.***

Our financing requirements and the deployment of the net proceeds of the Issue are based on management estimates and have not been appraised by any bank or financial institution. In view of the highly competitive nature of the industry in which we operate as well as in consultation with the SEBI Consultation Paper on Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 dated August 28, 2024, we may have to revise our management estimates from time to time and consequently our financing requirements and the expected deployment of the net proceeds of the Issue may also change.

**18. *We do not have Insurance Policy in our Company.***

Our company currently does not maintain any insurance policies to cover operational, financial, or legal risks. This lack of insurance may expose the company to significant financial losses in the event of unforeseen circumstances, including but not limited to, natural disasters, theft, cybersecurity incidents, legal liabilities, or operational disruptions.

Without adequate insurance, we may be required to cover these losses from our internal resources, which could adversely impact our financial health and operational capabilities. Additionally, the absence of coverage for potential legal liabilities may result in increased exposure to litigation risks, potentially leading to severe financial consequences. As a result, our inability to mitigate these risks through insurance could negatively affect the company's reputation, financial stability, and business continuity.

**19. *We face various risks in relation to our investment banking business.***

Our investment banking business exposes us to a variety of risks, including the potential failure or delay in obtaining necessary regulatory approvals. Securities offerings, in particular, are subject to a review process by regulatory bodies and exchanges, which is beyond our control. Delays or rejections during these reviews may lead to significant postponements or cancellations of transactions, adversely affecting our revenue as we typically receive fees only upon successful completion. Moreover, a notable decline in the approval rate of securities offerings advised by us could materially reduce our merchant banking income.

Additionally, our investment banking revenues fluctuate based on numerous external factors, including macroeconomic conditions and capital market volatility. These factors can affect the volume and timing of transactions, leading to variability in income across different periods. Furthermore, our business depends heavily on the accuracy and completeness of information provided by clients. Inadequate due diligence or inaccuracies in disclosure documents could expose us to legal liabilities, regulatory sanctions, and reputational harm. Such issues may arise from fraud, misconduct, or omissions by clients or their agents, all of which may further damage client relationships and our prospects.

Given the nature of investment banking, we may also be exposed to litigation or regulatory actions, particularly in relation to the sale of securities. Changes in regulatory requirements could complicate our ability to execute deals, develop client relationships, and price transactions effectively. In cases where we manage securities distributions or underwrite offerings, the risk of losses may increase due to price fluctuations or lack of market liquidity. Failure to adapt to these challenges could hinder our ability to compete and negatively affect our revenue streams.

**20. *Negative publicity could adversely affect our revenue model and profitability.***

We work in the market where trust of the customers on us and upon the services provided by us matters a lot. Any negative publicity regarding our company or the services rendered by the company due to any other unforeseen events may affect our reputation and image which leads to the adverse effect on our business and goodwill as well.

## ISSUE SPECIFIC RISKS

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

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

**2. *We cannot guarantee that the Equity Shares issued under this Issue will be listed on the Stock Exchanges in a timely manner, if at all.***

In accordance with Indian law and practice, after our Board or committee passes the resolution to allot the Equity Shares but prior to crediting such Equity Shares into the Depository Participant accounts of the investors, we are required to apply to the Stock Exchanges for final approval for listing and trading of the Equity Shares. There could be a failure or delay in obtaining these approvals from the Stock Exchanges, which in turn could delay the listing of the Equity Shares on the Stock Exchanges. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period. Any failure or delay in obtaining these approvals would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, may not be indicative of the prices at which the Equity Shares will trade in the future.

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

Under current Indian tax laws and regulations, capital gains arising from the sale of shares in an Indian Company are generally taxable in India. Previously, any gain realised on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months was not subject to long-term capital gains tax in India if securities transaction tax ("STT") was paid on the sale transaction. However, the Finance Act, 2018, now seeks to tax on such long-term capital gains exceeding ₹ 100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealised capital gains earned up to January 31, 2018 on such Equity Shares. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares Rights Entitlements.

Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

These amendments have been notified on December 10, 2019; however, these amendments will come into effect from July 1, 2020. The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution

tax will not be payable in respect of dividends declared, distributed or paid by a domestic Company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

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

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

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

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

## **EXTERNAL RISK FACTORS**

**1. *The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.***

During the first half of calendar year 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, significant repercussions across local, national and global economies and financial markets. In particular, a number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19. The global impact of the COVID-19 pandemic has been rapidly evolving and public health officials and governmental authorities have responded by taking measures, such as prohibiting people from assembling in large numbers, instituting quarantines, restricting travel, issuing "stay-at-home" orders and restricting the types of businesses that may continue to operate, among many others. On March 14, 2020, India declared COVID-19 as a "notified disaster" and imposed a nationwide lockdown beginning on March 25, 2020. The lockdown lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. The lifting of the lockdown across various regions has been regulated with limited and progressive relaxations being granted for movement of goods and people in other places and calibrated re-opening of businesses and offices. Despite the lifting of the lockdown, there is significant uncertainty regarding the duration and long-term impact of the COVID-19 pandemic, as well as possible future responses by the Government, which makes it impossible for us to predict with certainty the impact that COVID-19 will have on our business and operations in the future. We are closely monitoring the impact of COVID-19 on our financial condition, liquidity, operations, suppliers and workforce. Any intensification of the COVID-19 pandemic or any future outbreak of another highly infectious or contagious disease may adversely affect our business, results of operations and financial condition.

**2. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.***

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares. Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company's business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

**3. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.***

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

**4. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.***

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

**5. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.***

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

**6. *The ability of Indian companies to raise foreign capital may be constrained by Indian law.***

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

## SECTION III – INTRODUCTION

### THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 29, 2024 in pursuance of Section 62(1)(a) of the Companies Act, 2013 approved by Shareholders in the Annual General meeting dated September 21, 2024 in accordance with the Articles of Association of Company. The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in section titled ‘Terms of the Issue’ on page 123 of this Draft Letter of Offer.

<b>Equity Shares outstanding prior to the Issue</b>	30,13,100 Equity Shares;
<b>Right Shares offered in the Issue</b>	Up to [●] Right Shares; *
<b>Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	[●] Equity Shares; #
<b>Rights Entitlement</b>	[●] Rights Shares for every 1 (One) Equity Shares held on the Record Date [●]
<b>Record Date</b>	[●]
<b>Face Value per Equity Share</b>	₹ 10/- (Rupee One Only) each;
<b>Fractional Entitlement</b>	[●]
<b>Issue Price per Equity Share</b>	₹ [●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share)
<b>Issue Size</b>	Upto ₹ 1200.00 lakhs*.
<b>Terms of the Issue</b>	Please refer to the section titled ‘Terms of the Issue’ beginning on page 123 of this Draft Letter of Offer.
<b>Use of Issue Proceeds</b>	Please refer to the section titled ‘Objects of the Issue’ beginning on page 37 of this Draft Letter of Offer.
<b>Security Code/ Scrip Details</b>	ISIN: INE064T01018 BSE Scrip Code: 539692 BSE Scrip ID: IFINSER ISIN for Rights Entitlements: [●] ISIN of Rights Equity Shares: [●]

*\*For Rights Equity Shares being offered under this Issue, if the shareholding of any Eligible Equity Shareholders is such number of shares that they receive fractional shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for Additional Rights Equity Shares over and above their Rights Entitlements subject to availability of the Rights Equity Shares in this Issue.*

*#Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment.*

<b>Amount payable per Rights Issue*</b>	<b>Amount payable per Rights Equity Shares (including premium)#</b>
On the Issue Application (i.e along with the Application Form)	₹ [●]

*\*For details on the Payment Schedule, please see the chapter titled “Terms of the Issue” beginning on page 123.*

*# To be paid at such time as may be determined by the Board at its sole discretion*

**SUMMARY OF OUR FINANCIAL INFORMATION**

**Balance Sheet As At 31st March, 2024**

**(Rs. In Lacs)**

<b>Particulars</b>	<b>Note No</b>	<b>As at 31st March, 2024</b>	<b>As at 31st March, 2023</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipments	2	4.71	0.91
(b) Financial assets			
i. Investments	3	103.88	443.39
ii. Loans	4	-	29.88
(c) Deferred tax assets (Net)	15	3.79	11.92
(d) Other non-current assets	5	2.40	1.08
<b>Total Non-Current Assets</b>		<b>114.78</b>	<b>487.18</b>
<b>Current Assets</b>			
(a) Financial assets			
i. Investments	3	-	17.38
ii. Trade receivables	6	24.45	1.98
iii. Cash and cash equivalents	7	21.07	5.93
iv. Bank balances other than (ii) above	7	130.00	87.46
v. Loans	4	1,033.73	320.17
(c) Other current assets	8	11.98	7.54
<b>Total Current Assets</b>		<b>1,221.23</b>	<b>440.45</b>
Non-Current Assets Classified as Held for Sale	9	1.58	1.58
<b>Total Assets</b>		<b>1,337.59</b>	<b>929.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	10	301.31	301.31
(b) Other equity	11	947.81	559.64
<b>Total Equity</b>		<b>1,249.12</b>	<b>860.95</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities		-	-
(b) Provisions		-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>Current liabilities</b>			
(a) Financial liabilities			
i. Trade payables	12		
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		7.12	2.34
(b) Other current liabilities	13	14.18	51.27
(c) Current year tax (Net)	14	67.16	14.66
<b>Total Current Liabilities</b>		<b>88.47</b>	<b>68.26</b>
<b>Total Liabilities</b>		<b>88.47</b>	<b>68.26</b>
<b>Total Equity and Liabilities</b>		<b>1,337.59</b>	<b>929.21</b>
Significant accounting polices and notes forming part of Financial Statement	1 to 38	-	-

Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. In Lacs)

Sr. No.	Particulars	Note No	2023-2024	2022-2023
	<b>Income from Operation</b>			
I.	Revenue from operations	16	306.65	155.77
II.	Other Income	17	41.03	122.70
<b>III.</b>	<b>Total Income</b>		<b>347.68</b>	<b>278.47</b>
<b>IV.</b>	<b>Expenses:</b>			
	Employee benefit expense	18	57.41	21.26
	Financial costs	19	1.51	1.58
	Depreciation and amortization expense	2	0.63	0.16
	Other expenses	20	131.38	102.05
	<b>Total Expenses</b>		<b>190.93</b>	<b>125.05</b>
<b>V.</b>	<b>Profit before tax (III - IV)</b>		<b>156.75</b>	<b>153.42</b>
<b>VI.</b>	<b>Tax expense:</b>	15		
	(1) Current tax		95.77	31.65
	(2) Deferred tax		0.05	0.60
	(3) Short/(Excess) Provision of Tax of earlier years		-	1.07
	<b>Net Tax Expense / (Benefit)</b>		<b>95.81</b>	<b>33.32</b>
<b>VIII</b>	<b>Profit/(Loss) for the period from continuing business (XI – XII)</b>		<b>60.94</b>	<b>120.10</b>
IX.	Profit/(loss) from discontinued operations		-	-
X	Tax expenses of discontinued operations		-	-
XI	Profit/(loss) from Discontinued operations (after tax) (IX-X)		-	-
<b>XII</b>	<b>Profit/(loss) for the period (VIII+XI)</b>		<b>60.94</b>	<b>120.10</b>
XIII.	Other Comprehensive Income	21		
	<b>Items that will not be reclassified to profit or loss</b>			
	(a) Equity Instruments designated through other comprehensive income		335.31	(51.77)
	(b) Income Tax on above		(29.76)	4.76
	<b>Other comprehensive income for the year, net of tax</b>		<b>305.54</b>	<b>(47.01)</b>
<b>XIV</b>	<b>Total Comprehensive Income for the year (XII+XIII)</b>		<b>366.48</b>	<b>73.09</b>
XV	Earning per equity share			
	(1) Basic		2.02	3.99
	(2) Diluted		2.02	3.99
	Significant Accounting Policies and Notes on Financial Statements	1 to 38		

Cash Flow Statement For The Year Ended On 31st March, 2024

(Amount in Lakhs)

Sr.No.	Particulars	2023-2024	2022-2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>Net Profit before taxation and extraordinary items</b>	<b>156.75</b>	<b>153.42</b>
	<b>Adjustment for :-</b>		
	Depreciation and Amortization	0.63	0.16
	Interest Expense	1.51	1.58
	Advances Written off	29.88	0.00
	Short Term Capital Gain	-	(93.03)
	Dividend Income on Equity Shares	(0.08)	(0.23)
	Accrued Interest on FDR	(0.40)	0.00
	Interest Income	(40.60)	(22.92)
	<b>Operating Profit before working capital changes</b>	<b>147.71</b>	<b>38.99</b>
	<b>Change in working Capital :</b>		
	<b>Adjustment for :-</b>		
	Decrease/(increase) in Trade receivables	(22.47)	(1.58)
	Decrease/(increase) in Other Non-current Assets	(1.32)	(1.07)
	Decrease/(increase) in Other current Assets	(4.44)	(7.02)
	(Decrease) /increase in Trade payables	4.79	(0.34)
	(Decrease) /increase in Other current liabilities	(37.08)	40.34
	<b>Cash Generated from Operations</b>	<b>87.18</b>	<b>69.31</b>
	Direct tax Paid (net of refund)	(42.87)	(29.74)
	<b>Cash Flow before extraordinary items</b>	<b>44.32</b>	<b>39.57</b>
	Extraordinary Items/Prior Period Items	0.00	0.00
	<b>Net cash from/ (used in) Operating Activities</b>	<b>44.32</b>	<b>39.57</b>
<b>B.</b>	<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Proceeds from sale of Non-current investments	692.19	379.50
	Purchase of Non-current investments	0.00	(291.87)
	(Increase)/Decrease in Current - Financial loans/advances	(713.56)	(91.62)
	Dividend Income on Equity shares	0.08	0.23
	Purchase of Fixed Assets	(4.43)	(1.07)
	Interest income	40.60	22.92
	<b>Net Cash from/(used in) Investment Activities</b>	<b>14.88</b>	<b>18.09</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Finance Cost Expense	(1.51)	(1.58)
	<b>Net Cash from/ (used in) Financial activities</b>	<b>(1.51)</b>	<b>(1.58)</b>
	<b>NET INCREASE / (-) DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>57.68</b>	<b>56.08</b>
	<b>OPENING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>93.39</b>	<b>37.31</b>
	<b>CLOSING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>151.07</b>	<b>93.39</b>



## GENERAL INFORMATION

Our Company was incorporated as a Public limited company under the Companies Act, 1956 in the name of “Interactive Financial Services Limited” vide Certificate of Incorporation dated October 24, 1994 with the Registrar of Companies, Ahmedabad. The Company obtained the Certificate of Commencement of business on November 1, 1994. Our company came out with the Initial Public Offer (IPO) in January, 1996 for 10,00,000 equity shares having face value of Rs.10 at a price of Rs.10 aggregating Rs. 1,00,00,000 (Rupees One crore only) for carrying out the fund-based activities like investment, Lease financing and short-term loans. Our company got listed on Ahmedabad Stock Exchange and Madras Stock Exchange. Pursuant to direct listing our Company got listed on BSE Limited on March 03, 2016.

<b>Company Identification Number</b>	L65910GJ1994PLC023393
<b>Registration Number</b>	023393
<b>Address of Registered Office of Company</b>	<b>Interactive Financial Services Limited</b> 508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015 <b>Telephone:</b> 079-4908 8019 <b>E-mail:</b> compliance@ifinservices.in <b>Website:</b> <a href="http://www.ifinservices.in">www.ifinservices.in</a>
<b>Address other than R/o where all or any books of account and papers are maintained (Administrative Office)</b>	Not applicable
<b>Address of Registrar of Companies</b>	<b>Registrar of Companies, Ahmedabad</b> ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India Contact No.: 079-27438531 Email id: <a href="mailto:roc.ahmedabad@mca.gov.in">roc.ahmedabad@mca.gov.in</a>
<b>Designated Stock Exchange</b>	BSE Limited
<b>Listing date on BSE Limited</b>	March 03, 2016
<b>Script ID</b>	IFINSER
<b>Security Code</b>	539692
<b>ISIN</b>	INE064T01018

### Our Board of Directors

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

<b>Name</b>	<b>Age</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Pradip Ramprasad Sandhir	55 Years	Managing Director	L/501, Shilalekh, Opp. Police Stadium, Shahibaug Ahmedabad, Gujarat - 380004	06946411
Mayur Rajendrabhai Parikh	64 Years	Executive Director	A-52, Shaligram – 3, Anand Nagar Road, Shalby Hospital, Prahladnagar, Ambawadi Vistar, Ahmedabad, Gujarat -380015	00005646
Rutu Milindbhai Sanghvi	32 Years	Non-Executive & Independent Director	11, Samay Flats, Opp Anjali BRTS Bus Stand, Bhattha, Vasna, Ahmedabad, Gujarat-380007	09494473
Raghav Jobanputra	31 Years	Non-Executive & Independent Director	7, Sukruti Apartment, Opp. Tulip Bungalow No. 16, Near Surdhara Circle, Thaltej, Ahmedabad City, Ahmedabad, Gujarat, 380054	10066298
Monil Shah	34 Years	Non-Executive & Independent Director	3, Avanika Park Society, Opp Jain Temple, Khanpur (Ahmedabad), Khanpur, Ahmedabad-380001, Gujarat, India	10734738

For detailed profile of our directors, please refer to the chapter titled “Our Management and Organisational Structure” on page 58 of this Draft Letter of Offer.

## Company Secretary and Compliance Officer

Jaini Jain is the Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

**Address:** 508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015

**Telephone:** +91 98980 55647

**E-mail:** info@ifinservices.in.

**Website:** www.ifinservices.in

## Chief Financial Officer

Pradip Ramprasad Sandhir, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

**Address:** 508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015

**Telephone:** +91 98980 55647

**E-mail:** info@ifinservices.in.

**Website:** www.ifinservices.in

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

Registrar to the Issue	Registrar to the Company
<b>Bigshare Services Private Limited</b> <b>Address:</b> Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai – 400093 <b>Tel No:</b> +91-022-62638200 <b>Fax No:</b> +91-022-62638299 <b>Website:</b> www.bigshareonline.com <b>Email:</b> rightsissue@bigshareonline.com <b>Investor Grievance E-Mail:</b> investor@bigshareonline.com <b>Website:</b> www.bigshareonline.com <b>Contact Person:</b> Mr. Suraj Gupta <b>SEBI Registration Number:</b> INR000001385	<b>Satellite Corporate Services Private Limited</b> <b>Address:</b> A-106-107, Dattani Plaza, East West Indl. Compound, Andheri Kurla Road, Nr. Safed Pool, Sakinaka, Mumbai- 400072 <b>Tel No:</b> 022-28520461/462 <b>Website:</b> www.satellitecorporate.com <b>Email:</b> <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a> , info@satellitecorporate.com <b>Investor Grievance E-Mail:</b> investorservice@satellitecorporate.com <b>Contact Person:</b> Micheal Monteiro <b>SEBI Registration Number:</b> INR000003639
Statutory & Peer Review Auditor of the Company	Bankers to the Company
<b>M/s. B.T. Vora &amp; Co., Chartered Accountants</b> <b>Address:</b> 310, Interstellar, Nr. PRL Colony, Off Sindhubhavan Road, Thaltej, Ahmedabad – 380 059 <b>E-Mail Id:</b> btvora@hotmail.com <b>Phone No:</b> 87806 35538 <b>Contact Person:</b> CA Chirag Sheth <b>Firm Registration No.:</b> 123652W <b>Membership No.:</b> 180506 <b>Peer Review No.:</b> 014080	<b>ICICI Bank Limited</b> <b>Address:</b> Ground Floor, 2, Shri Parshva Eminent, Opp. Gujarat College, Ellis Bridge, Ahmedsabad – 380 006, Gujarat, India. <b>Tel No:</b> 8980019254 <b>Email:</b> dhara.s@icicibank.com <b>Website:</b> www.icicibank.com <b>Contact Person:</b> Dhara Narang <b>Designation:</b> Branch Manager
Banker to the Issue	[●]

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

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

### Inter-se Allocation of Responsibilities

The merchant banker is not required to be appointed upto Issue size of ₹5,000.00 Lakh. Hence, a statement of inter-se allocation of responsibilities is not required.

### Expert Opinion

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

Our Company has received written consent dated August 22, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) Our Financial Information for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022; and (ii) statement of tax benefits dated September 02, 2024 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

### Investor grievances

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

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

### Changes in Auditors During Last Three Financial Years

There has been no change in the Statutory Auditors of our Company during the last 3 years preceding the date of filing of this Draft Letter of Offer.

### Issue Schedule

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

Events	Indicative Date
Last Date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for on Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

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

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two (2) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, 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. For details on submitting Common Application Forms, see chapter titled “*Terms of the Issue*” beginning on page 123 of this Draft Letter of Offer.

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

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com) after keying in their respective details along with either security control measures implemented there at. For further details, see chapter titled “*Terms of the Issue*” beginning on page 123 of this Draft Letter of Offer.

#### **Credit Rating**

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

#### **Debenture Trustees**

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

#### **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.

#### **Monitoring Agency**

Appointment of a monitoring agency to monitor utilization of the Net Proceeds, is not applicable for this issue.

For details in relation to the proposed utilisation of the Net Proceeds, see “Objects of the Issue” on page 37.

#### **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. 4 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 (ICDR) (Fourth Amendment) Regulations, 2020 has granted certain relaxations with respect to Rights Issues under the SEBI ICDR Regulations. One of those relaxations is the increase of threshold of the Rights Issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI ICDR Regulations has further been increased from Ten crores to Fifty crores. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchange and submitted with SEBI for information and dissemination.

## CAPITAL STRUCTURE

Our Equity Share Capital before the issue and after giving effect to the issue, as on the date of filing of this Draft Letter of Offer, is set forth below:

*Amount (Rs in Lacs except share data)*

Sr. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
<b>A.</b>	<b>AUTHORISED SHARE CAPITAL</b>		
	80,00,000 Equity Shares of face value of ₹10 each	800.00	N.A.
<b>B.</b>	<b>ISSUED, SUBSCRIBED &amp; PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
	30,13,100 fully paid Equity Shares of face value of Rs. 10 each	301.31	N.A.
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER #</b>		
	Upto [●] Right Equity Shares of face value of Rs.10 each at a premium of ₹ [●] per share	[●]	[●]
<b>D.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE PRESENT ISSUE</b>		
	[●] Equity Shares of ₹10 each\$	[●]	
<b>E.</b>	<b>SHARE PREMIUM ACCOUNT</b>		
	Share Premium account before the Issue		Nil
	Share Premium account after the Issue		[●]

**Note:**

# The present issue of [●] equity shares in terms of this Draft Letter of Offer have been authorized by a resolution passed by our Board at the meeting held on dated August 29, 2024 under section 62(1)(a) of the Companies Act, 2013 approved by the Shareholders in the Annual General meeting dated September 21, 2024 in accordance with the Articles of Association of Company. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by the Board at its meeting held on [●].

\$ Assuming full subscription for and Allotment of Equity Shares. Subject to finalisation of Basis of Allotment, Allotment of Right Shares.

The company has one class of share capital i.e. Equity Shares of Face value of Rs.10/- each only. All equity shares issued are fully paid-up.

**NOTES TO THE CAPITAL STRUCTURE:**

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

There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, our Company does not have any employee stock option scheme or employee stock purchase scheme.

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

There are no promoters in the company and thus, participation by Promoters and Promoter Group in the issue is not applicable. The company will comply with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

**3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations**

- i. The shareholding pattern of our Company as on June 30, 2024, can be accessed on the website of the BSE at:  
<https://www.bseindia.com/stock-share-price/interactive-financial-services-ltd/ifinser/539692/grid/122.00/sha-reholding-pattern/Jun-2024/>
- ii. Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2024 can be accessed on the website of the BSE at:  
<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=539692&qtrid=122.00&QtrName=Jun-24>
- iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2024 can be accessed on the website of BSE at:  
<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539692&qtrid=122.00&QtrName=Jun-24>
- iv. Details of the Shareholders holding more than 1% of the issued and paid-up equity share capital:  
<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=539692&qtrid=122.00&QtrName=Jun-24>

**4. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is Rs. [●]. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.**

**5. Details of shares locked-in, pledged, encumbrance by promoters and promoter group:**

The Company does not have identifiable promoter and therefore, no disclosures are applicable.

**6. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange.**

The Company does not have identifiable promoter and therefore, the said clause is not applicable to our Company on the date of the Draft Letter of Offer.

7. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
8. At any given time, there shall be only one denomination of the Equity Shares of our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

## SECTION IV – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The present Public Issue up to Rs. 1200.00 lakhs of [●] Equity Shares at an issue price of [●] per Equity Share.

**Our Company proposes to utilize the Net Proceeds from the issue towards the following objects:**

1. Setting up of Office Space
2. Increase Net-worth of the Company
3. General corporate purposes
4. Issue Related Expenses

(Collectively referred to as “Objects”)

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Rights Issue.

### Net Proceeds

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

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
3.	Gross proceeds from the issue*	[●]
4.	Less: Issue Related Expenses**	[●]
<b>Net proceeds of the issue**</b>		<b>Upto ₹1200.00</b>

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

\*\* To be finalized upon determination of the Issue Price and updated in the Letter of Offer. Please see“- Estimated Issue Expenses” on page 40.

### Requirement of funds and utilization of Net Proceeds

Sr. No.	Particulars	Estimated Amount (₹ In lakhs)
1.	Setting up of Office Space	304.50
2.	Increase Networth of the Company	[●]
3.	General corporate purposes	[●]
<b>Total utilization of net proceeds</b>		<b>Upto ₹1200.00</b>

### Means of Finance

The funding requirements mentioned above are based on the internal management estimates of our Company and have not been appraised by any bank, financial institution or any other external agency. They are based on current circumstances of our business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, such as market conditions, competitive environment, and change in any regulations/ acts. Consequently, the funding requirements of our Company and deployment schedules are subject to revision in the future at the discretion of our management and will be subject to applicable laws and regulations. If additional funds are required for the purposes as mentioned above, such requirement may be met through internal accruals, additional capital infusion, debt arrangements or any combination of them, subject to compliance with applicable laws. Further, depending on the funding requirements of our Company and subject to market and other considerations, our Company may vary the size of the Issue by 20% of the Issue size disclosed in this Draft Letter of Offer in accordance with the SEBI ICDR Regulations and other applicable law.

Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such projects proposed to be funded from the Net Proceeds is not applicable.

### Schedule of implementation and Deployment of Net Proceeds



We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

(₹ In lakhs)

Sr. No.	Particulars	Total Estimated Cost	Amount already deployed	Estimated utilization of net proceeds in FY 2024-2025
4.	Setting up of Office Space	304.50	14.50	304.50
5.	Increase Networth of the Company	[●]	Nil	[●]
6.	General corporate purposes <sup>1</sup>	[●]	Nil	[●]
	<b>Total</b>	Upto 1200.00	<b>14.50</b>	Upto 1200.00

<sup>1</sup>The amount utilized for general corporate purposes shall not exceed 25.00% of the gross proceeds of the issue.

As indicated above, our Company proposes to deploy the entire Net Proceeds towards the objects as described in the Financial Year 2024-25. In the event that the estimated utilization of the Net Proceeds in a Financial Year 2024-25 is not completely met, the same shall be utilized, in part or full, in the next Financial Year or a subsequent period towards the Objects.

In the event of a shortfall in raising the requisite capital from the Net Proceeds, towards meeting the objects of the Issue, the extent of the shortfall will be met by internal accruals or debt. In case of any surplus of monies received in relation to the Fresh Issue, we may use such surplus towards general corporate purposes.

## DETAILS OF THE OBJECTS OF THE ISSUE

### 1. Setting up of Office Space

Our Company has acquired two office spaces for the use of Registered Office of our Company. Details for the same are hereunder:

- Office bearing No. 701** admeasuring about 2435 sq. feet i.e. 226.30 sq.mtrs. (Super built up area) alongwith attached terrace rights admeasuring about 85 sq.ft carpet area situated on the Seventh Floor (Seventh Floor as per plan approved by AMC) in "3<sup>RD</sup> EYE VISION" project along with right to use undivided proportionate land of Sub Plot No. 13 (Original Sub Plot No.11) admeasuring 1776 sq. mtrs of Final Plot No. 306 paiki of Town Planning Scheme no. 20 subsequently given City Survey No. 1457 admeasuring 1776 sq. mtrs. of City Survey Ward Gulbai Tekra situate, lying and being at Moje: Kocharab, Taluka: Sabarmati in the Registration District of Ahmedabad and Sub District of Ahmedabad-4 (Paldi) alongwith right to use and enjoy common amenities and facilities of the project.

**Name of the Seller:** Swati Ashleshbhai Shah (PAN: ARXPS3686E)

**Total Cost of Property:** Rs. 1,98,45,250/- (Rs. One Crore Ninety-Eight Lakhs Fourty Five Thousand Two Hundred and Fifty Only)

**Consideration Paid:** Rs. 10,00,000/- (Rs. Ten Lakhs)

**Date of payment:** September 25, 2024

- Office bearing No. 607** admeasuring about 1090 sq. feet i.e. 101.30 sq.mtrs. (Super built up area) alongwith attached terrace rights admeasuring about 85 sq.ft carpet area situated on the Sixth Floor (Sixth Floor as per plan approved by AMC) in "3<sup>RD</sup> EYE VISION" project along with right to use undivided proportionate land of Sub Plot No. 13 (Original Sub Plot No.11) admeasuring 1776 sq. mtrs of Final Plot No. 306 paiki of Town Planning Scheme no. 20 subsequently given City Survey No. 1457 admeasuring 1776 sq. mtrs. of City Survey Ward Gulbai Tekra situate, lying and being at Moje: Kocharab, Taluka: Sabarmati in the Registration District of Ahmedabad and Sub District of Ahmedabad-4 (Paldi) alongwith right to use and enjoy common amenities and facilities of the project.

**Name of the Seller:** Bhishma Ashlesh Shah (PAN: GOTPS5846P)

**Total Cost of Property:** Rs. 88,83,500/- (Rs. Eighty-Eight Lakhs Eighty-Three Thousand Five Hundred Only)

**Consideration Paid:** Rs. 4,50,000/- (Rs. Four Lakhs Fifty Thousand Only)

**Date of payment:** September 25, 2024

Total amount to be paid for both the offices are Rs. 3,04,52,475/- (Three Crore Four Lakhs Fifty-Two Thousand Four Hundred Seventy-Five only), which includes payment towards property to the sellers of Rs. 2,87,28,750/- (Two Crore Eighty-Seven Lakhs Twenty-Eight Thousand Seven Hundred Fifty only) plus stamp duty & registration fees at the rate of 6% of the amount i.e. Rs. 17,23,725/- (Seventy Lakhs Twenty-Three Thousand Seven Hundred Twenty-Five only).

Therefore, as of September 25, 2024, our Company has paid ₹ 14.50 lakhs as an advance towards interiors and furnishing from internal accruals, which it plans to recoup from the proceeds of the IPO.

## 2. Increase Net-worth of the Company

At present, minimum net worth requirement for merchant banker is Rupees five crores. This threshold was revised in 1995 from one crore rupees in 1992.

According to the regulators, over the past three decades, Indian capital markets have matured in terms of market capitalisation, increased investor participation and market processes. Hence, the same needs to be encapsulated in the proposed net worth requirements. In light of the above, the SEBI has proposed to increase in net worth is required to align the same with the present value in the SEBI Consultation Paper on Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 dated August 28, 2024.

As per SEBI Consultation Paper on Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 dated August 28, 2024:

- Adequate net worth would enable merchant bankers to build intellectual capital, develop efficient systems and infrastructure and adopt finest technology to ensure quality 'issue' and related services.
- The Association of Investment Bankers of India ("AIBI") has recommended that the minimum net worth for Merchant Bankers may be revised to Rs. 50 crores.
- The SEBI has proposed Merchant bankers may be categorised into two categories based on net worth and activities to be undertaken, viz Category 1 and Category 2.

The proposed categorisation is as follows-

### **Category 1 –**

- a. Net worth not less than Rs. 50 crores, at all times
- b. Shall be permitted to undertake all permitted activities

### **Category 2 –**

- a. Net worth not less than Rs. 10 crores, at all times
- b. Shall be permitted to undertake all permitted activities except Main Board Issues

In the above case, the existing registered merchant bankers shall be given a period of two years from a specified date to increase their net worth progressively as follows:

#### **i. Category 1 –**

- a. 1st year - Rs.25 crore
- b. 2nd year – Rs. 50 crore\*

#### **ii. Category 2 –**

- a. 1st year – Rs.7.5 crore
- b. 2nd year – Rs. 10 crore\*

(\* ) Cumulative

Additionally, they proposed that Merchant Banker who fails to maintain or meet the minimum net worth requirement shall not undertake any activity until the proposed net worth requirement is met.

Therefore, we being Category-I Merchant Banker, need to increase our net worth from Rs. 1486.24 lakhs as of June 30, 2024 (Certified by B T Vora & Co., Chartered Accountants, dated September 07, 2024, UDIN: 24180506BKHAGE5432), to Rs. 50 crores within the two-year timeline to remain in Category-I and continue handling all permitted activities, including Main Board Issues.

### 3. General corporate purposes

In terms of the SEBI ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25.00% of the proceeds of the issue.

Our management will have flexibility in applying [●] lakhs of the Net Proceeds towards general corporate purposes, including but not restricted to financing working capital requirements, capital expenditure, acquiring business premises, meeting exigencies etc or any other purpose as may be approved by our Board, subject to compliance with the necessary provisions of the Companies Act.

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

#### Issue Related Expenses

The total expenses of the Issue are estimated to be approximately [●] lakhs. The expenses of this include, among others, underwriting and lead manager fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated issue expenses are as follows:

Activity	Estimated expenses ( ₹ in lakhs)	As a % of total estimated issue related expenses	As a % of Gross Issue Size
Lead Manger Fees including Underwriting Commission.	[●]	[●]	[●]
Brokerage, selling commission and Marketing	[●]	[●]	[●]
Registrar to the Issue	[●]	[●]	[●]
Legal Advisors	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Regulators including stock exchanges	[●]	[●]	[●]
Printing and distribution of issue stationary	[●]	[●]	[●]
Others (Market Making fees etc.)	[●]	[●]	[●]
<b>Total estimated issue related expenses</b>	[●]	[●]	[●]

#### Interim use of Net Proceeds

Our Company in accordance with the consultancy of the Board from time to time, will have flexibility to deploy the Net Proceeds. The Net Proceeds pending utilization for the purposes described above, in accordance with the SEBI ICDR Regulations, our Company shall deposit the funds only in one or more Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

#### Bridge Financing Facilities

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

#### Appraisal Report

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

#### Monitoring Utilization of Funds

As this is a Fresh Issue for less than ₹ 10,000 lakhs, we are not required to appoint a monitoring agency for the purpose of the Issue in terms of the SEBI ICDR Regulations.

Our Board and Audit committee shall monitor the utilization of the net proceeds of the Issue. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of

unutilized Net Proceeds in the balance sheet of our Company for the relevant financial years subsequent to the completion of the Issue.

Pursuant to SEBI Listing Regulations, our Company shall disclose to the Audit Committee of the Board of Directors the uses and applications of the Net Proceeds. Our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Prospectus and place it before the Audit Committee of the Board of Directors, as required under applicable law. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company. Furthermore, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchange on a quarterly basis, a statement indicating (i) deviations, if any, in the utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the utilization of the proceeds from the Issue from the Objects. This information will also be published in newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee of the Board of Directors.

### **Strategic or Financial Partners**

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

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act and applicable rules, our Company shall not vary the Objects without our Company being authorized to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where our Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price as may be prescribed by SEBI, in this regard.

None of our suppliers / service providers for utilization of Issue proceeds for various Objects of the Issue are associated in any manner with our Company or any other related party directly or indirectly.

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

### **Other Confirmation**

No part of the proceeds of the Issue will be paid by us to the the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable law.

### **Our directors do not have any interest in the objects of the Issue.**

There are no material existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoter, our Promoter Group, our Directors, and our Key Managerial Personnel.

## STATEMENT OF SPECIAL TAX BENEFITS

To

**The Board of Directors**

**Interactive Financial Services Limited**

508, Fifth Floor, Priviera,

Nehru Nagar, Manekbag,

Ahmedabad, Gujarat, India, 380015

**Re: Interactive Financial Services Limited (the “Company”) pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the ‘Act’).**

We hereby report that the enclosed Statement prepared by Interactive Financial Services Limited (the “Company”) states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2024 (hereinafter referred to as “Income Tax Laws”), the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations there under, Foreign Trade Policy, presently in force in India under the respective tax laws of their country as on the signing date, for inclusion in the Letter of Offer for the proposed rights issue of the Company to the existing shareholders. These benefits are dependent on the Company or the shareholders of the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or the shareholders of the Company to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or the shareholders of the Company may or may not choose to fulfil.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company or its shareholders. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were informed that 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 proposed offer.

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

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

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

- a. the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- b. the conditions prescribed for availing the benefits, where applicable, have been / would be met with; or
- c. the revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not

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

We hereby consent to (a) this certificate, or parts thereof, being used in the Draft Letter of Offer of the Company or any other material in connection with the Issue; and/or (b) the submission of this certificate, as may be necessary, to the Stock Exchange, Securities and Exchange Board of India, or any other regulatory authority; and/or (c) this certificate being used for the records maintained by the Company in connection with the Issue and in accordance with applicable law.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer or Letter of Offer or any other issue related material in relation to the proposed rights issue of equity shares and submission of this statement to the Securities and Exchange Board of India, the stock exchange where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

**For B. T. Vora & Co.**  
**Chartered Accountants**  
**Firm's Registration Number: 123652W**

**Sd/-**  
**C.A. SHETH**  
**Partner**  
**Membership No.: 180506**

**UDIN: 24180506BKHAGD8745**  
**Place: Ahmedabad**  
**Date: September 02, 2024**

## ANNEXURE I

### **I. Statement of Special Tax Benefits available to Interactive Financial Services Limited (The “Company”) and its shareholders, under the INCOME-TAX ACT, 1961 (hereinafter referred to as ‘the Act’)**

#### **1. Special tax benefits available to the Company under the Act**

There are no special tax benefits available to the Company.

#### **2. Special tax benefits available to the shareholders under the Act**

There are no special tax benefits available to the shareholders of the Company.

#### **Notes:**

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2024-25.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

*Before deciding to invest in the Equity Shares, prospective investors should read this entire Draft Letter of Offer, including the information in the sections "Risk Factors" and "Audited Financial Statements" on pages 17 and 60, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' on page 17. Accordingly, investment decisions should not be based on such information.*

#### About Indian Economy Growth Rate & Statistics

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Nominal GDP or GDP at Current Prices in the year 2023-24 is estimated at Rs. 293.90 lakh crores (US\$ 3.52 trillion), against the First Revised Estimates (FRE) of GDP for the year 2022-23 of Rs. 269.50 lakh crores (US\$ 3.23 trillion). The growth in nominal GDP during 2023-24 is estimated at 9.1% as compared to 14.2% in 2022-23. Strong domestic demand for consumption and investment, along with Government's continued emphasis on capital expenditure are seen as among the key driver of the GDP in the first half of FY24. During the period January-March 2024, India's exports stood at US\$ 119.10 billion, with Engineering Goods (25.01%), Petroleum Products (17.88%) and Organic and Inorganic Chemicals (7.65%) being the top three exported commodity. Rising employment and increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.



(Source: <https://www.ibef.org/economy/indian-economy-overview>)

#### RISING FINANCIAL WEALTH MANAGEMENT MARKET IN INDIA

##### Introduction

Wealth management services in India is still at a nascent stage. Traditionally, wealth management companies have focused on high-net-worth individuals (HNI) with net assets of  $\geq$  US\$ 1 million and ultra-high-net-worth individuals (UHNWI) with net assets of  $\geq$  US\$ 30 million. The HNI and UHNWI groups in India have witnessed significant growth in the last decade and this is a demand driver for wealth management services.

Growing Indian economy, rising per capita income and increasing urbanisation are also acting as tailwinds for the wealth management industry. The number of affluent middle-class people is on the rise. The World Economic Forum estimates 80% of India's population to fall in the middle-class segment by 2030, up from about 50% in 2019. The increase in disposable income will create wealth management needs in the affluent middle-class segment.

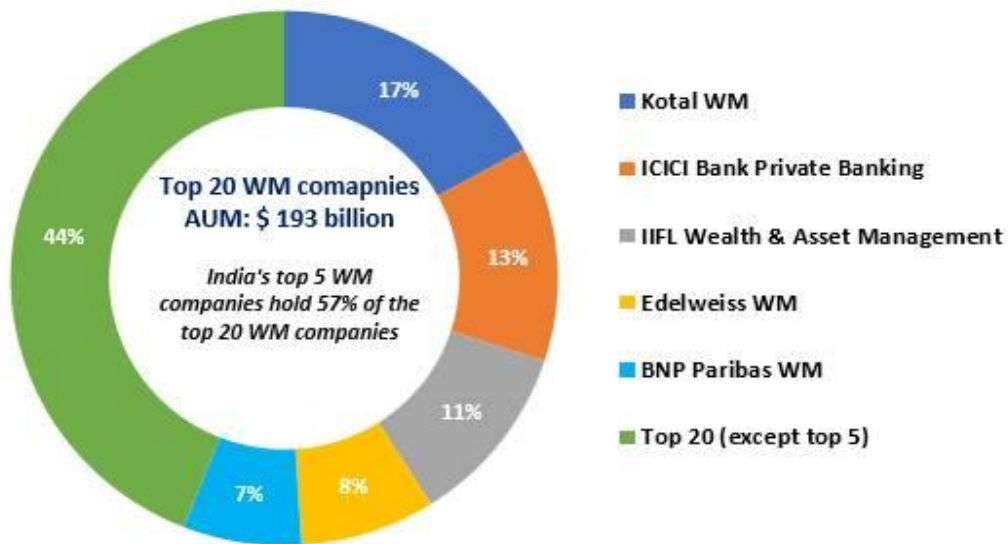


	2015A	2020A	2025E	Growth Forecast (2020-25)
<b>HNI population</b>	2.00 lakh	3.50 lakh	6.11 lakh	75%
<b>UNHWI population</b>	6,020	6,884	11,198	63%

Source: Knight Frank and Capgemini World Wealth Report, 2016

### Competitive landscape

According to a consulting firm Praxis Global Alliance’s report titled ‘Evolution of Wealth Management’ (published on September 06, 2019), India’s wealth management space is led by domestic players accounting for ~77.5% share by assets under management (AUM). In the top 20 wealth management (WM) companies, domestic companies lead with an ~80% AUM.



### Drivers and key trends in wealth management in India Rising inclination for hiring wealth managers among young people

With rise in the number of nuclear families and paradigm shift in the lifestyle of millennials, the Gen X is increasingly becoming aware of the need to rely on their own wealth instead of their children. Also, with rising awareness and exposure, people want to be able to enjoy the finer things in life and therefore, want to save for luxuries. This has spurred the demand for wealth managers.

### Prioritise goal-based planning over financial accumulation

Companies operating in the wealth management sector feel the need to relook their product offerings and change focus from wealth accumulation to goal-based solutions for customers. The goal-based solution approach factors in the actual cash flow requirement of the individual.

### Higher demand for alternative asset classes versus traditional ones

With traditional asset classes such as fixed deposits and bonds offering low returns and less protection from inflation, alternative asset classes such as alternative investment fund, private equity, venture capital, real estate investment trust (REIT), derivatives and cryptocurrency have started to gain traction. These alternative classes offer significantly better returns with less volatility.

### Increasing reliance on automation

The high cost of manual services, coupled with rising need to remove legacy operations, has made organisations shift to new automation tools. These tools not only reduce costs, but also help create capacity, enhance employee engagement, and improve client experience by providing superior products. With the rise in competition and consumer demand, this common trend is expected to continue.

The rise in digitisation has subsequently led to growth in the number of robo-advisors, who use automated, algorithm-based systems to advise on portfolio management based on the financial situation, risk appetite and future goals of individuals concerned. The Indian robo-advisory landscape can be categorised broadly into three types—fund based (examples include Scripbox, Fisdom, Finpeg, Orowealth and Kuvera); equity based (Smallcase, Fyers, Tauro Wealth and Markets Mojo); and comprehensive wealth advisory (INDWealth, Cube Wealth and Arthyantra). The assets under advisory (AUA) of leading robo-advisors in India (according to their own disclosures) are: Kuvera – Rs. 14,500 crore (US\$ 1.97 billion); Orowealth – Rs. 3,000 crore (US\$ 408 million); Scripbox – Rs. 1,500 crore (US\$ 203 million); and Goalwise – Rs. 850 crore (US\$ 115 million).

### **Renewed focus on the non-urban segment**

The current wealth management market in India is at the early stages of development. Until now, the focus of established players was on the urban segment. However, with mounting competition from fintechs and sudden inflow of foreign wealth management, providers have prompted domestic companies to focus on approximately one-fifth of HNIs residing in rural areas.

### **Easier entry norms for new players**

The wealth management industry was traditionally dominated by large players and the industry required significant investments for sustainability. However, this has changed with the rise in technologies and awareness among people. With a spiraling number of new-age fintechs, customers have a wide variety of products to choose from.

### **Challenges in the industry**

**Cybersecurity Threats:** With rising use and adoption of different technologies by wealth management companies, there has been growth in data breaches and cyber-attacks in the recent years. As these institutions hold a lot of private data, any leak can take a significant hit on their brand image.

**Competition:** New-age firms that have adopted technologies at a faster rate have a clear edge over larger and traditional asset management firms. These new-age firms have succeeded in attracting younger HNIs who want greater transparency and control over their investments.

**Regulatory Burdens:** The Indian wealth management industry is primarily regulated by the Securities and Exchange Board of India. Over the years, especially after the 2008 economic downturn, SEBI has introduced regulations to protect customers. These regulations (outlined to best serve interests) have severely limited the abilities of wealth management companies, resulting in low revenue generation.

**Shortage of Qualified & Trained Advisors:** As the wealth management industry is at an elementary stage in India, firms face challenges in hiring and retaining employees with necessary domain knowledge. There is also significant employee attrition, which plagues the industry.

### **Industry Outlook**

According to a report titled ‘Global Wealth 2021: When Clients Take the Lead’, published in June 2021 by the Boston

Consulting Group (BCG), financial wealth grew among Indians at 11% p.a. from 2015 to 2020 and is further expected to increase at 10% p.a. to US\$ 5.5 trillion by 2025.

Wealth management firms will have to adopt technological advancements and provide individualised, comprehensive advice aligned with the changing investment trends and needs. Constant innovation and new ways to deliver services will continue to disrupt the industry.

(Source: <https://www.ibef.org/blogs/rising-financial-wealth-management-market-in-india>)

## **FINANCIAL SERVICES IN INDIA**

## 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, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.



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

## MARKET SIZE

### Leading AMCs in India (as of June 2021)

Top 5 AMCs in India	AUM (US\$ billion)
SBI Mutual Fund	70.23
HDFC Mutual Fund	55.97
ICICI Prudential Mutual Fund	55.93
Aditya Birla Sun Life Mutual Fund	36.97
Kotak Mahindra Mutual Fund	33.10

As of March 2024, AUM managed by the mutual funds industry stood at Rs. 53.40 lakh crore (US\$ 641.75 billion) Inflow in India's mutual fund schemes via systematic investment plans (SIP) from April 2023 to March 2024 stood at Rs. 2 lakh crore (US\$ 24.04 billion).

Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021. The net inflows were Rs. 7,303.39 crore (US\$ 888 million) in December as compared to a 21-month low of Rs. 2,258.35 crore (US\$ 274.8 million) in November 2022.

Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast pace. The total first-year premium of life insurance companies reached US\$ 32.04 billion in FY23. In FY23 (until December 2022) non-life insurance sector premiums reached Rs. 1.87 lakh crore (US\$ 22.5 billion).

Furthermore, India's leading bourse, the Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US\$ 7.17 billion was raised across 40 initial public offerings (IPOs). The number of companies listed on the BSE increased from 135 in 1995 to 5,357 as of March 2024.

According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY20.

## INVESTMENTS/DEVELOPMENTS

The Financial Services Industry has seen major achievements in the recent past:

- In February 2024, Unified Payments Interface (UPI) recorded 12.10 billion transactions worth Rs. 18.28 lakh crore (US\$ 220.77 billion).
- The number of transactions through immediate payment service (IMPS) reached 534.6 million (by volume) and amounted to Rs. 5.58 trillion (US\$ 68.61 billion) in February 2024.
- India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than in 2020.
- In 2021, Prosus acquired Indian payments giant BillDesk for US\$ 4.7 billion.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called 'Account Aggregator' to enable consumers to consolidate all their financial data in one place.
- In September 2021, Piramal Group concluded a payment of Rs. 34,250 crore (US\$ 4.7 billion) to acquire Dewan Housing Finance Corporation (DHFL).

## GOVERNMENT INITIATIVES

Some of the major Government Initiatives are

In 2023, the government revamped the credit guarantee scheme. The inflow of Rs. 9,000 crore (US\$ 1,080.97 million) into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.

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

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

On September 30, 2021, the IFSC Authority constituted an expert committee to recommend an approach towards the development of a sustainable finance hub and provide a road map for the same.

In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or Internet banking access.

## ROAD AHEAD

India's financial services industry has experienced huge growth in the past few years. This momentum is expected to continue. India's private wealth management Industry shows huge potential. India is expected to have 16.57 lakh HNWI's in 2027. This will indeed lead India to be the fourth-largest private wealth market globally by 2028. India's insurance market is also expected to reach US\$ 250 billion by 2025. This will further offer India an opportunity of US\$ 78 billion in additional life insurance premiums from 2020-30.

India is today one of the most vibrant global economies on the back of robust banking and insurance sectors. The relaxation of foreign investment rules has received a positive response from the insurance sector, with many companies announcing plans to increase their stakes in joint ventures with Indian companies. Over the coming quarters, there could be a series of joint venture deals between global insurance giants and local players.



The Association of Mutual Funds in India (AMFI) is targeting a nearly five-fold growth in AUM to Rs. 95 lakh crore (US\$ 1.15 trillion) and more than three times growth in investor accounts to 130 million by 2025.

India's mobile wallet industry is estimated to grow at a CAGR of 23.9% between 2023 and 2027 to reach US\$ 5.7 trillion.

According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach >US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

Note: The conversion rate used for April 2024 is Rs. 1 = US\$ 0.012

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

### **Back Ground of Merchant Bankers in India:**

MB Regulations were notified on December 22, 1992. The objective of the MB Regulations, inter alia, was to lay down regulatory framework for Merchant Bankers ('MBs'), their eligibility, responsibility and their continuance in securities market.

As on July 31, 2024, the number of registered merchant bankers are as under:

<b>Particulars</b>	<b>No. of Registered Merchant Bankers</b>
Companies	221
Limited Liability Partnership	3
<b>Total</b>	<b>224</b>

MBs play an imperative role in the primary market and have been entrusted with the responsibility to ensure appropriate due diligence, maintain integrity of primary market and ensure compliance with the relevant laws on own account and on behalf of the issuers. As a result of evolution of the securities markets and overall increased compliance requirements, the roles and responsibilities and business undertaken by MBs in the primary market has increased significantly.

### **Considering the changes in market dynamics over the past three decades,**

- a) Existing MB Regulations need to be aligned with amendment in other SEBI Regulations and with the current ecosystem.
- b) The capital adequacy requirement and eligibility criteria of merchant bankers needs to be reviewed.
- c) Clarity on the activities to permitted to the Merchant Banker and ensure continuance of only serious players in securities market.
- d) Delete provisions which have become reductant and have outlived their utility.

Given the above, a need has been felt to comprehensively review the MB Regulations. With this objective, the provisions of the MB Regulations are proposed to be revised.

(Source: Consultation Paper: Review of Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 by SEBI dated August 28, 2024)

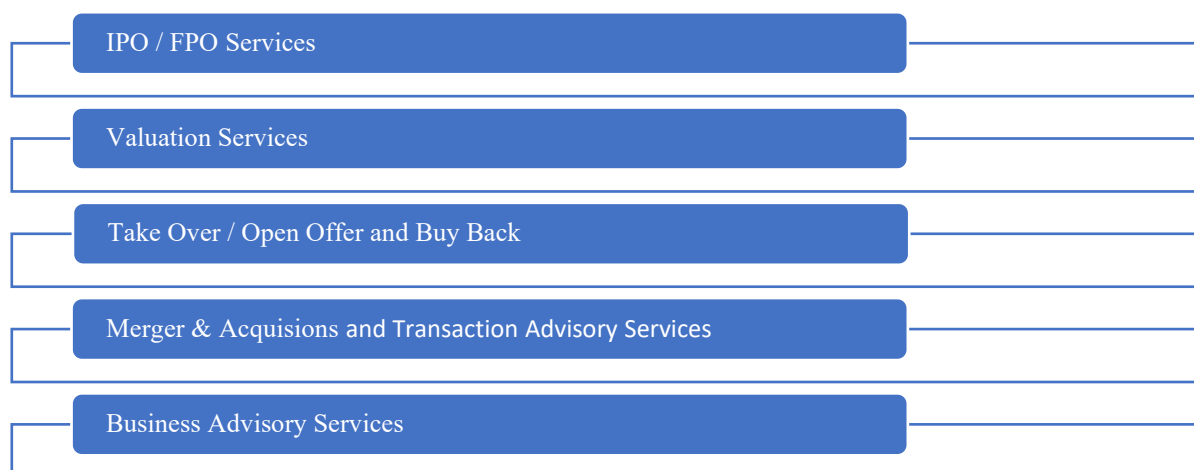
## OUR BUSINESS

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to Interactive Financial Services Limited. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our restated financial information. This section should be read together with "Risk Factors" on page no 17 and "Industry Overview" on page no 45 of the Draft Letter of Offer.

Our Company was incorporated at Ahmedabad as Interactive Financial Services Limited on October 24, 1994 with the registrar of the company at Gujarat.

Our Company is engaged in the business of Investment Banking and Financial activities. For the Investment banking activity, Our Company is registered with SEBI having Registration No. INM000012856 dated September 27, 2021 as Category-I Merchant Banker. We provide services in various areas of capital markets which include Merchant Banking Services, and Corporate Advisory Services under one roof that and well diversified for financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations and other Merchant Banking Services. Our directors are having more than 2 decades of experience in the capital markets. We are actively working in Main Board IPOs, SME IPOs, FPOs, valuation of companies for various transactions, migration to main board, takeovers, buy back and business advisory. In this segment, we are primarily focused on providing Merchant Banking services to Small and Medium Enterprises (SMEs).

### Our Business is divided into following verticals:



In addition to our core business operations, we regularly invest in the securities of other companies. This strategy helps us mitigate investment risk while generating additional profits. We focus on investing in listed companies to ensure an easy exit and maintain sufficient liquidity in our portfolio, supporting the capital needs of our business.

### Bifurcation of our revenue from our Business Verticals:

(Rs. In Lakhs)

Particulars	FY 2023-24		FY 2022-23		FY 2021-22	
	Amount	%	Amount	%	Amount	%
Merchant Banking Activity	306.65	88.20	155.77	55.94	45.42	25.62
Other Income	41.03	11.80	122.70	44.06	131.83	74.38
<b>Total</b>	<b>347.68</b>	<b>100.00</b>	<b>278.47</b>	<b>100.00</b>	<b>177.25</b>	<b>100.00</b>

## MERCHANT BANKING ACTIVITIES

### IPO / FPO Services

The IPO/FPO services are the core business of our organization. We carry out all the activities associated with Main Board and SMEs IPOs / FPOs, including valuation reports, conducting the due diligence, assessing the fund requirement, market making, underwriting the issue, lead managing, ensuring all regulatory processes are followed and preparing all the documents. We track the IPO markets very closely and have developed deep knowledge and experience of the Regulations required for Listing.

## **Valuation Services**

In today's challenging corporate, regulatory, legal and accounting environment, there is a need for robust and independent valuation services, which are aligned with globally accepted practices. We have team who has specialised experience in valuation services to clients. Our opinion is based on a vast experience and sound professional judgment in valuations of companies and assets. The valuation team is well-equipped with the necessary technical knowledge and training to cater to any complex valuation-related situation that the client needs a solution to. Valuations plays a dynamic and crucial role in financial and capital market industry. We are providing Valuation Services as Follows:

- Business Valuation
- Valuation of Securities
- Valuation of Intangible Assets
- ESOP Valuation
- Fairness opinion
- Valuation as per Income Tax Act
- Valuation as per Indian Accounting Standard

## **Take Over / Open Offer**

An open offer is an offer made by the acquirer to the shareholders of the target company inviting them to tender their shares in the target company at a particular price. The primary purpose of an open offer is to provide an exit option to the shareholders of the target company on account of the change in control or substantial acquisition of shares, occurring in the target company.

Our expertise includes coordination between various agencies, preparation of open offer related documents and public announcements, and liaising with SEBI, Stock Exchanges and other relevant authorities.

## **Merger & Acquisitions and Transaction Advisory Services**

Our Mergers & Acquisitions Services are designed to help our clients reach their strategic goals by identifying and implementing opportunities to merge with or acquire other businesses. We act as trusted independent advisors to board and management of companies in assessing strategic alternatives.

Our M&A Advisory Services includes:

- ✚ Buy Side Advisory
- ✚ Sell side Advisory
- ✚ Leveraged Buyouts
- ✚ Joint Ventures
- ✚ Business Advisory Services

## **Buy Back**

Buy-Back is a corporate action in which a company buys back its shares from the existing shareholders usually at a price higher than the market price. When it buys back, the number of shares outstanding in the market reduces. A buyback allows companies to invest in themselves. By reducing the number of shares outstanding on the market, buybacks increase the proportion of shares a company owns.

We act as a Lead Manager to Buyback issue and conduct due-diligence and help companies to structure through Tender Method, Reverse Book Building and Purchase from the open market.

## **Business Advisory Services:**

Our Business Advisory team develops and offers tailored, innovative and comprehensive solutions for specific client business needs that may not require the expression of opinions based on professional standards. The main objective of offering business advisory services is to bring more focus to the value proposition by delivering a broader range of advisory services and competencies. We offers a full range of services to help clients tackle challenges faced in businesses.

Our Legal & Compliance Support Services offer highly skilled assistance. We work to ensure compliance processes, systems and training are up-to-date and satisfy the regulatory requirements to varied business segments so that management can give undivided attention to business without worrying about legal and compliance functions. Along with the years of rich experience, our in-depth understanding of capital markets, compliance and regulatory requirements helps us deliver top-notch services to our each and every clients. We ensure efficient delivery and complete hand holding in the entire listing process.

We have started merchant banking activity in the FY 2021. In The 1st year of operation i.e. FY 2022, we have managed 01 No of Issues on SME Platform of BSE. We have managed 6 (six) and 7 (seven) no of issues, in the FY 2023 and 2024 respectively on the SME Platform of BSE and Emerge Platform of NSE. In current financial year, till date of the draft letter of offer, we have managed 6 SME and 1 Main Board IPO on both the exchange.

## **Our Business Strengths**

### **1. Experienced Management team**

Our Company is managed by a team of competent personnel having knowledge of core aspects of our business. Our directors Mr. Pradip Sandhir and Mr. Mayur Parikh have been instrumental in managing our expanding operations, implementing strategic marketing, business initiatives and focusing on financial performance. Our young professional directors, Ms. Rutu Sanghvi and Mr. Raghav Jobanputra have aided us to have long term relations with our customers and have also facilitated us to entrench with new customers. We believe that our management team's experience and their understanding of our industry will enable us to continue to take advantage of both current and future market opportunities. Our Management's experience and knowledge enables us in addressing and mitigating various risks inherent in our business, including competition, the global economic crisis related effects and fluctuations in the prices. We believe that the quality of our management team has been critical in achieving our business results.

### **2. Long term relationship with the clients**

Long term client relationships provide the foundation for our business. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with high net worth clients thereby leading to long term sustainable and scalable business operations. This key strength has helped us to receive repeat business from our clients and provide us with an advantage in attracting better fees.

### **3. Timely Service**

We believe in providing quality and timely service to our clients. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our clients. We believe that our timely service has earned us goodwill from our customers which has helped us to add new customers to our existing customer base. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty.

### **4. Strong Financial Performance**

We have an established track record of strong financial performance and delivering returns to shareholders. Our total revenues increased from ₹157.77 Lakhs to ₹306.65 Lakhs in fiscal 2024, representing an increase of 94.37%. The total comprehensive income of the company for FY 2023-24 was ₹366.48 Lakhs as against 73.09 Lakhs in FY 2022-23 showing increase of ₹401.40 Lakhs. The total revenue of the Quarter ended on June 2024 was ₹348.00 Lakhs and the Net Profit was ₹204.00 Lakhs. We strive to maintain a robust financial position with emphasis on having a strong balance sheet and increased profitability. Our strong balance sheet coupled with low levels of debt enable us to pursue opportunities for growth and better manage unanticipated cash flow variations. Our financial strength provides us a valuable competitive advantage in terms of access to funding from banks which are critical to our business.

## **Our Business Strategy**

### **1. Focus on Main Board IPOs over SME IPOs**

As of the date of the Draft Letter of Offer, our primary focus has been on SME IPOs. However, we are now strategically shifting our focus towards Main Board IPO assignments in the coming years. In light of the Consultation Paper issued by SEBI on August 28, 2024, which outlines a minimum net worth requirement of Rs. 50 crore for Merchant Bankers participating in Main Board IPOs, we have decided to strengthen our financial position. To meet this requirement, we plan to raise our net worth through a rights issue. This move



aligns with our long-term goal of expanding our presence in the Main Board IPO segment while continuing to provide high-quality services across capital markets.

## **2. Enhancing our Operational Efficiency**

In preparation for entering the Main Board segment, and in response to the Consultation Paper issued by SEBI on August 28, 2024, we are planning to expand our team by increasing our Key Managerial Personnel (KMP) to meet the demands of this growing segment. Strengthening and expanding our compliance team will be a key priority to ensure we remain fully aligned with evolving SEBI regulations. This will enable us to maintain the highest standards of regulatory compliance and operational excellence, supporting our growth in the Main Board IPO segment.

## **3. Scalable Processes for SME IPOs**

To manage multiple SME IPOs efficiently, we are creating streamlined internal processes that allow us to handle multiple transactions simultaneously. This approach will enhance both efficiency and cost-effectiveness. By standardizing workflows and implementing best practices, we can minimize delays, ensure consistency, and manage higher volumes of work without compromising on quality.

Our dedicated staff will be focused on executing these processes with precision. As we expand, this streamlined approach will significantly reduce the likelihood of errors by ensuring tasks are repeatable, monitored, and optimized. This scalability not only supports growth but also strengthens our ability to maintain a high standard of service across all IPO assignments.

### **Infrastructure Facility:**

#### **Registered Office:**

508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015.

#### **Plant & Machinery:**

Our company operates within the service industry and, as such, does not require any specialized machinery beyond standard office equipment. We have sufficient number of computers and a reliable network infrastructure in place to support our operations.

#### **Capacity Utilisation:**

As we are in service industry, capacity utilization is not applicable to our Company.

### **Marketing**

Merchant banking is a niche industry with significant competition. To thrive in this competitive market, our clients prioritize timely completion of work and assignments in which our company is highly regarded. We have established a strong reputation through word-of-mouth marketing and client referrals, without the need for a dedicated marketing team. Additionally, some clients discover us by tracking our involvement in IPOs, further solidifying our presence in the industry.

To sustain in the long run, we have taken the help of marketing consultant, who do marketing on behalf of us in the different region of India for different type of services/assignments like take over, rights issue, IPOs, Buy Backs etc.

### **Competition**

Competition in merchant banking is intense, with numerous firms vying for market share in a highly specialized industry. Success in this field hinges on a firm's ability to offer timely, high-quality services, build strong client relationships, and maintain a reputation for excellence. The competitive landscape is shaped by the need for deep industry expertise, innovative financial solutions, and the ability to navigate complex regulatory environments. Firms that excel in these areas differentiate themselves and secure a loyal client base in a crowded market.

## Human Resources

In the merchant banking sector, a knowledgeable and experienced team is crucial for business success. SEBI's Merchant Banking Regulations, 1992, emphasize the importance of experienced Key Managerial Personnel. As of March 31, 2024, our company has 19 employees, including directors, who oversee business operations, management, administration, secretarial work, marketing, and accounting, each aligned with their designated roles.

### Following is a department wise employee break-up:

Sr. No.	Department/Designations	No. of Employees
1.	Executive Directors*	02
2.	Independent Directors**	03
3.	Key Managerial Persons (other than directors)	01
4.	Executives	04
5.	Trainees	02
6.	Administrative	01
7.	Other	02
<b>Total</b>		<b>19</b>

\*Our Executive Directors are actively involved in the daily operations of the company.

\*\*Our Independent Directors are highly qualified professionals. As financial advisors, we seek their expertise as needed.

**Note:** By looking at the assignment's urgency and workload, we outsource some of our procedural task of our assignments to some of the external professional, who possess the necessary financial literacy and experience. Further, we are taking services from the professional consultants in our routine course of business. Additionally, we engage professional consultants for marketing our services as part of our routine business operations.

## Intellectual Property

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

## Insurance

Our Company do not have any insurance policy as on date of Draft Letter of Offer.

## Our Immovable Properties

We carry out business operations from the following properties:

### a) Leasehold/Rental property:

Sr No	Details of the Deed/Agreement	Particulars of the property, description and area	Consideration	Usage
1.	Rent Agreement dated October 01, 2023 for 11 Months and 29 Days	508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015	Rs. 60,000/- p.m.	Registered Office

## OUR MANAGEMENT

### BOARD OF DIRECTORS

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

Name, Father's Name, Address, Date of Birth, Age, Designation, Status, DIN, Occupation and Nationality	Other Directorships#
<p><b>Name:</b> Pradip Ramprasad Sandhir  <b>Father's Name:</b> Ramprasad Ramsarndar Sandhir  <b>Address:</b> L/501, Shilalekh, Opp. Police Stadium, Shahibaug Ahmedabad, Gujarat - 380004  <b>Date of Birth:</b> 13.12.1968  <b>Age:</b> 55 Years  <b>Designation:</b> Managing Director  <b>Status:</b> Executive Director  <b>DIN:</b> 06946411  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Term:</b> Five (5) years w.e.f. August 30, 2022 to August 29, 2027  <b>Original Date of Appointment:</b> September 04, 2021 as Additional Non-Executive Director of the company.</p>	<p>1. Aanya distributors and chemicals Private Limited  2. Beeline Broking Limited  3. Beeline Commodities Private Limited</p> <p><b>LLP</b>  1. Mona Broking LLP</p>
<p><b>Name:</b> Mayur Rajendrabhai Parikh  <b>Father's Name:</b> Rajendra Manilal Parikh  <b>Address:</b> A-52, Shaligram – 3, Anand Nagar Road, Shalby Hospital, Prahladnagar, Ambawadi Vistar, Ahmedabad, Gujarat -380015  <b>Date of Birth:</b> 13.11.1959  <b>Age:</b> 64 Years  <b>Designation:</b> Director  <b>Status:</b> Non-Executive Director*  <b>DIN:</b> 00005646  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Current Term:</b> Five (5) years w.e.f. July 01, 2021  <b>Original Date of Appointment:</b> July 01, 2021 as Additional Independent-Non-Executive Director of the company</p>	<p>1. Seabird Exploration Private Limited  2. Bloom Dekor Limited- Under CIRP  3. Rising Hotel Limited  4. MSK Infrastructure and Toll Bridge Private Limited**  5. Indo Thai Realities Limited  6. Aria Meditech Private Limited  7. Amrapali Industries Limited  8. Infinity Infrabuild Limited</p>
<p><b>Name:</b> Rutu Milind Sanghvi  <b>Father's Name:</b> Hiteshbhai Rajnikant Shah  <b>Address:</b> 11, Samay flat, Opposite Anjali BRTS Bus Stand, Anjali Cross Road, Paldi, Ahmedabad - 380007  <b>Date of Birth:</b> 10.10.1991  <b>Age:</b> 32 Years  <b>Designation:</b> Independent Director  <b>Status:</b> Non-Executive Director  <b>DIN:</b> 09494473  <b>Occupation:</b> Professional  <b>Nationality:</b> Indian  <b>Term:</b> Five (5) years w.e.f. July 21, 2022 to July 20, 2027  <b>Original Date of Appointment:</b> July 21, 2022 as Additional Independent-Non-Executive Director of the company.</p>	<p>1. Bhatia Colour Chem Limited</p>
<p><b>Name:</b> Raghav Jobanputra  <b>Father's Name:</b> Latesh V Jobanputra  <b>Address:</b> 7, Sukruti Apartment, Opp. Tulip Bunglow No. 16, Near Surdhara Circle, Thaltej, Ahmedabad, Gujarat, 380054  <b>Date of Birth:</b> 01.11.1992  <b>Age:</b> 31 Years  <b>Designation:</b> Independent Director  <b>Status:</b> Non-Executive Director</p>	<p>Nil</p>

<b>DIN:</b> 10066298 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Term:</b> Five (5) years w.e.f. March 17, 2023 to March 16, 2028 <b>Original Date of Appointment:</b> March 17, 2023 as Additional Independent Director of the company.	
<b>Name:</b> Monil Shah <b>Father's Name:</b> Kamleshkumar Shah <b>Address:</b> 3, Avanika Park Society, Opp Jain Temple, Khanpur (Ahmedabad), Khanpur, Ahmedabad- 380001, Gujarat, India <b>Date of Birth:</b> 27.09.1989 <b>Age:</b> 34 Years <b>Designation:</b> Independent Director <b>Status:</b> Non-Executive Director <b>DIN:</b> 10734738 <b>Occupation:</b> Professional <b>Nationality:</b> Indian <b>Term:</b> Five (5) years w.e.f. August 29, 2024 to August 28, 2029 <b>Original Date of Appointment:</b> August 29, 2024 as Additional Independent Director of the company.	1. Jekson Vision Private Limited

\*The Board of Directors of the Company has passed the Resolution for the change in Designation of Mr. Mayur Parikh from Non-Executive Director to Executive Director in the Board Meeting held on August 29, 2024, subject to approval of shareholders.

\*\* The Company is amalgamated and the same has been updated on the MCA.

# All our Companies are registered in India only.

### Confirmations

#### As on date of this Draft Letter of Offer

- A. None of the Directors are/ were directors of any company whose shares were suspended from trading by Stock Exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five (5) years.
- B. None of the Directors are on the RBI List of willful defaulters.
- C. None of the Directors are/ were directors of any listed entity whose shares were delisted from any Stock Exchange(s).
- D. Further, none of the directors are/ were directors of any entity which has been debarred from accessing the capital markets under any order or directions issued by the Stock Exchange(s), SEBI or any other Regulatory Authority.
- E. None of the Directors are declared Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

#### Arrangements with major Shareholders, Customers, Suppliers or Others

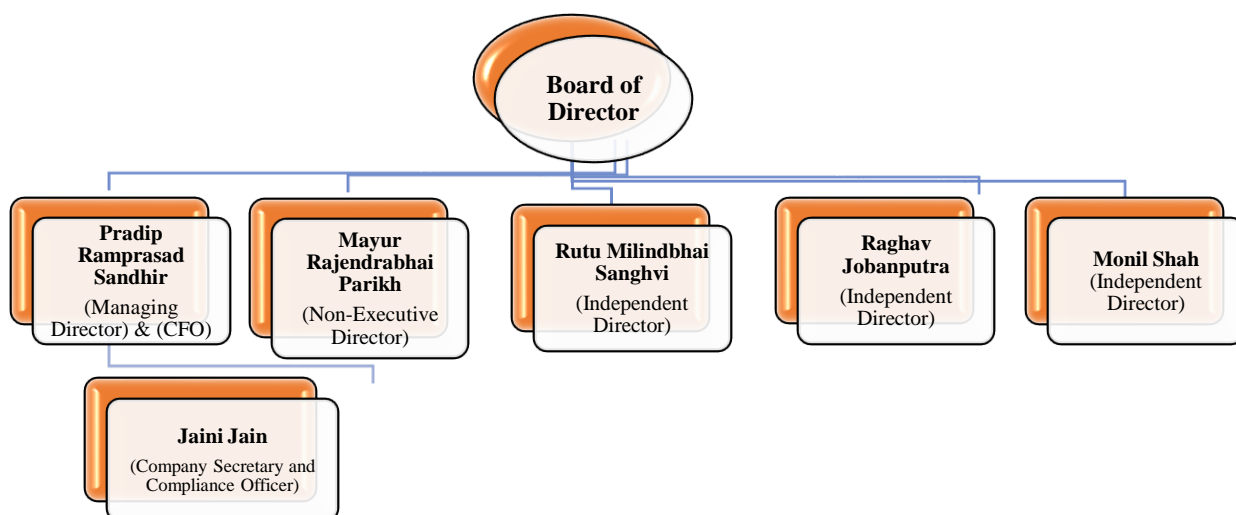
There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a director or member of a senior management as on the date of this Draft Letter of Offer.

#### Service Contracts

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel are entitled to any benefits upon termination of employment.

#### Management Organization Structure

The following chart depicts our Management Organization Structure:



## COMPLIANCE WITH CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013, with respect to the Corporate Governance, provisions of the SEBI Listing Regulations except Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C, D, and E of Schedule are applicable to our company.

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

## COMMITTEES OF OUR BOARD

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

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

## TERMS OF REFERENCE OF VARIOUS COMMITTEE:

### 1. Audit Committee

Our Company has Reconstituted the Audit Committee vide resolution passed in the meeting of Board of Directors held on August 29, 2024 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Audit Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Rutu Sanghvi	Independent Director	Chairman
Raghav Jobanputra	Independent Director	Member
Mayur Parikh	Non-Executive Director	Member
Monil Shah	Additional Director in capacity of Independent Director	Member

The Company Secretary of our Company shall act as a Secretary of the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to financial statements.

## 2. Stakeholders Relationship Committee

Our Company has Reconstituted the Stakeholder Relationship Committee vide resolution passed in the meeting of Board of Directors held on August 29, 2024 as per the applicable provisions of the Section 177 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Stakeholder Relationship Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Rutu Sanghvi	Independent Director	Chairman
Raghav Jobanputra	Independent Director	Member
Pradip Sandhir	Managing Director	Member

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee.

## 3. Nomination and Remuneration Committee

Our Company has Reconstituted the Nomination and Remuneration Committee vide resolution passed in the meeting of Board of Directors held on August 29, 2024 as per the applicable provisions of the Section 178 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 (as amended). The constituted Nomination and Remuneration Committee comprises following members.

Name of the Director	Nature of Directorship	Position in Committee
Raghav Jobanputra	Independent Director	Chairman
Rutu Sanghvi	Independent Director	Member
Monil Shah	Additional Director in capacity of Independent Director	Member

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

## Our Key Management Personnel and Senior Management Personnel

Our Company is managed by Managing Director and assisted by Board of Directors along with the qualified experienced professionals, who are permanent employees of our Company. Set forth below are the details of our Key Managerial Personnel and senior Management Personnel as on the date of filing of this Draft Letter of Offer:

Name of Key Management Personnel	Designation	Date of Appointment	Qualification	Previous employment
Pradip Ramprasad Sandhir	Chief Financial Officer	August 30, 2022	B.com	-
Jaini Jain	Company Secretary & Compliance Officer	June 17, 2022	CS, B.Com	-

## Re-classification of Promoter(s):

As of now, the Company does not have any individuals or entities classified as promoter(s) or promoter group. This follows the reclassification of the former promoter(s) as Public Shareholders, in compliance with Regulation 31A(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The reclassification was effectuated after the former promoters submitted a formal application to the Bombay Stock Exchange (BSE) on May 06, 2022. Upon approval, these individuals or entities ceased to be associated with the Company in the capacity of promoters, effectively relinquishing their control and influence over the management and decision-making processes of the Company.

Currently, the governance and management of the Company are entirely entrusted to its Board of Directors, who are responsible for overseeing the Company's operations and strategic direction. The Company is now poised to undertake this Rights Issue in line with the regulatory framework established by the Companies Act, 2013, and more specifically, under Part-B of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. This Rights Issue is being pursued to strengthen the Company's capital base, enabling it to meet its growth objectives and further its business strategies, all while adhering to the relevant laws and regulatory requirements.

**SECTION VI – FINANCIAL INFORMATION  
INDEPENDENT AUDITORS' REPORT**

**To,  
The Members,  
Interactive Financial Services Limited**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Interactive Financial Services Limited (“the Company”), which comprises the Balance sheet as at March 31, 2024, the Statement of Profit and Loss (including other comprehensive income), the Statement of changes in equity, the Cashflow Statement for the year then ended, and notes to the financial statements, including a summary of Significant Accounting policies and other explanatory information (hereinafter referred to as the financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act 2013 (“Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, the changes in equity and cash flows for the year ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to be communicated in our report.

**Emphasis on Matter**

Building & Furniture located at 603, Harekrishna Complex, Paldi, Ahmedabad, Gujarat having carrying amount of Rs. 1.58 lacs earlier upto F.Y. 2021-22 were included in Property, Plant & Equipment which were classified as Non-current Asset Held for Sale as per Note No. 9 during F.Y. 2022-23. As per Indian Accounting Standard - 105, one of condition to classify the asset held for sale is that sale should be completed with-in 12 months of classification but there are exceptions to that condition and extension of period for more than 12 months is allowed. As per written representation received from the management, there is no change in plan to sell the asset in current condition, but due to certain local regulatory constraints, they are not able to execute the sale in given period of time. Also, as there is change in management during F.Y. 2022-23, the documents necessary to execute the sale are still under process. We have received no documentary evidences regarding condition that fulfill for extension of time beyond 12 months, but given the nature of property being immovable nature, such scenarios are common. Except to above observation, we do not find classification of such asset held for sale to be inappropriate or inaccurate.

**Our conclusion is not modified in respect of the above matter.**

### **Information other than the financial statements and auditors' report thereon**

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

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

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

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

### **Management's Responsibility for the Financial Statements**

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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



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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
- (b) In our opinion, the Company has kept proper books of account as required by law, so far as appears from our examination of the books.
- (c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (e) on the basis of written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Companies Act, 2013.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
- (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us
  - (i) The company does not have any pending litigations which would impact its financial position.
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) (a) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
    - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (v) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
  - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, However, Based on our examination, the company, has used an accounting software Tally Prime which is operated by a third party software service provider, for maintaining its books of account and in absence of audit trail (edit log) we are unable to comment whether audit trail feature of the said software was enabled and operated throughout the year for all relevant transactions recorded in the software or whether there were any instances of the audit trail feature been tampered with.

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

**For, B. T. Vora & Co.**  
**Chartered Accountants**  
**Firm Registration No. 123652W**

**Sd/-**  
**C.A. SHETH**  
**Partner**  
**Membership No.: 180506**  
**UDIN: 24180506BKHAFL9580**

**Date: 29th May, 2024**  
**Place: Ahmedabad**

### Annexure A to Independent Auditors' Report

Referred to in paragraph 1 under the heading of "Report on Other Legal & Regulatory Requirements of our report of even date;

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- (i) In respect of Fixed Assets
- a. A) The Company has maintained proper records showing full particulars including quantitative details and location of the Property, Plant and Equipment.
- B) No Intangible assets are held by the Company as on the balance sheet date. Accordingly, Paragraph 1(a)(B) of the Order is not applicable during the year under review.
- b. The management during the year has physically verified all the Property, Plant and Equipment. According to the information and explanations given to us, there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c. Based upon the audit procedure performed and according to the records of the Company, the title deeds of the immovable properties are held in the name of the company and was verified by us.
- d. The company has not revalued its PPE or Intangible assets during the year. Accordingly, Paragraphs 1(d) of the Order is not applicable during the year under review.
- e. According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) a. The company's nature of operation (Service provider) does not require it to hold inventories. Therefore, the provisions of clause II (a) of paragraph 3 of the Order are not applicable to the Company.
- b. During any point of time of the year, the company has not been sanctioned any working capital limits, from banks or financial institutions on the basis of security of current assets. Therefore, the provisions of Clause (ii) (b) of paragraph 3 of the order are not applicable to the company.
- (iii) The Company has made investment in, companies, firms, Limited Liability Partnerships and granted unsecured loans to other parties, during the year, in respect of which:
- a. During the year, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to the following entities:

(Amount in lakhs)

Sr. No.	Particulars	Unsecured Loans
<b>1</b>	<b>Aggregate amount granted / provided during the year</b>	
	- Subsidiaries	-
	- Joint Ventures	-
	- Associates	-
	- Others	843.00
<b>2</b>	<b>Balance outstanding as at March 31, 2024 in respect of above cases</b>	
	- Subsidiaries	-
	- Joint Ventures	-
	- Associates	-
	- Others	1,033.73

- b. In our opinion, the investment made and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- c. The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have not been stipulated as these loans are repayable on demand. Thus, we are unable to comment whether the repayments or receipts during the year are regular and report amounts overdue for more than ninety days, if any, as required under clause (iii)(d) of paragraph 3 of the Order.
- d. The schedule of repayment of principal and payment of interest in respect of the loans and advances in the nature of loans have not been stipulated as these loans are repayable on demand. Thus we are unable to report amounts overdue for more than ninety days, if any, as required under clause (iii)(d) of paragraph 3 of the Order.
- e. There were no loans or advances in the nature of loan granted which has/have fallen due during the year, have been renewed or extended.
- f. The Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment. Details of the same are as below:

(Amount in Lakhs)

Sr. No.	Particulars	All Parties other than promoters & related parties
1	Aggregate amount of loans/advances in nature of loan	
	- Repayable on demand (A)	1,017.95
	-Agreement does not specify any terms or period of repayment (B)	-
	<b>Total (A+B)</b>	<b>1,017.95</b>
	Percentage of loans/advances in nature of loan to the total loans	98.47%

- (iv) The Company has complied with the provisions of sections 185 and 186 of the Companies Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence reporting under clause 3(v) of the order is not applicable.
- (vi) As per the information and explanations given to us, the provisions of maintenance of cost records specified by the Central Government under section 148(1) of the Companies Act, 2013 are not applicable to the company during the year under reference. Therefore, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- (vii) According to information and explanations given to us in respect of statutory and other dues:
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Income Tax, Goods & Services tax and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, provident fund, Sales tax, VAT, cess, duty of excise and duty of customs.
- b. There are no amounts of any statutory dues which are yet to be deposited on account of any dispute except as stated below.

Name of Statue	Nature of the Dues	Amount (in lakhs)	Period to which the amount relate	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	149.08	A.Y. 2018-19	Commissioner of Income Tax (Appeals)

- viii) We have not come across any transaction(s) which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix)
  - a. The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to the lender. Therefore, details required under clause 3 ix(a) is not applicable.
  - b. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - c. The Company did not obtain any money by way of term loans during the year/and there were no outstanding term loans at the beginning of the year. Accordingly, reporting under clause (ix) (c) of paragraph 3 of the Order is not applicable.
  - d. We report that the company has not utilised funds raised on short term basis for long term purpose. Accordingly, reporting under this clause (ix) (d) is not applicable.
  - e. On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
  - f. The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies, as defined under the Act.
- (x)
  - a. The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
  - b. In our opinion and according to information provided to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi)
  - a. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
  - b. No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
  - c. As represented by the management, no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) In our opinion and according to information and explanation given to us, the company has complied with provisions of Section 177 of the Act with respect to transactions with related parties and the company has not entered into any transactions with related parties which attract provisions of Section 188 of the Act.
- (xiv)
  - a. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
  - b. We have not received Internal audit report till date. However, Internal audit report is awaited and as informed there is no significant material discrepancy found during Internal audit.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.

- (xvi) (a & b) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (c & d) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 (“Directions”) by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (xvii) The Company has not incurred cash losses in the current and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of this audit report and that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.

**For, B. T. Vora & Co.**  
**Chartered Accountants**  
**Firm Registration No. 123652W**

**Sd/-**  
**C.A. Sheth**  
**Partner**  
**Membership No.180506**  
**UDIN: 24180506BKHAFL9580**

**Date: 29th May, 2024**  
**Place: Ahmedabad**

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INTERACTIVE FINANCIAL SERVICES LIMITED.**

(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

#### **Opinion**

We have audited the internal financial controls over financial reporting of Interactive Financial Services Limited ("the Company") as of 31st March, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the



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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**For, B. T. Vora & Co.**  
**Chartered Accountants**  
**Firm Registration No. 123652W**

**Sd/-**  
**C.A. SHETH**  
**Partner**  
**Membership No.180506**  
**UDIN: 24180506BKHAFL9580**

**Date: 29th May, 2024**  
**Place: Ahmedabad**

## STATEMENT ON MATERIAL ACCOUNTING POLICIES

### BACKGROUND

Interactive Financial Services Limited ('the Company') is a Listed Public Limited Company engaged primarily in providing Merchant Banking and allied services. The Company is a SEBI Registered Category I Merchant Banker. The Company's registered office is at 508, 5th Floor, Priviera, Nehrunagar, Ahmedabad - 380015, Gujarat, India.

### 1 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

#### 1.1. BASIS OF PREPARATION OF ACCOUNTS

##### a) Statement of compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and the guidelines issued by Securities Exchange of India (SEBI) to the extent applicable. The accounting policies are applied consistently to all the periods presented in the financials.

##### b) Functional and presentation currency

These financial statements are presented in Indian rupees which is the Company's functional currency, in lakhs rounded off to two decimals except as otherwise stated as permitted by Schedule III of the Companies Act.

##### c) Basis of Measurement

These financial statements have been prepared on a historical cost convention basis, except for the following:

- (i) Certain financial assets and liabilities that are measured at fair value.
- (ii) Assets held for sale- Measured at the lower of (a) carrying amount and (b) Fair Value less cost to sell. In absence of Certain amount of Fair Value of Office Building & Furniture held for sale, the same is measured at carrying amount with an assumption that fair value of the assets is much higher than carrying value considering the increase in real estate prices in the Ahmedabad.
- (iii) Net defined benefit plans- Plan assets measured at Fair Value less present value of defined benefit obligation.
- (iv) Determining the Fair Value

While measuring the Fair Value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a Fair Value hierarchy based on the inputs used in the valuation techniques as follows.

**Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

If the inputs used to measure the Fair Value of an asset or a liability fall into different levels of the Fair Value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the Fair Value hierarchy as the lowest level input that is significant to the entire measurement.

#### **d) Use of Estimates and Judgement**

The preparation of financial statements in accordance with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are known or materialised. The most significant estimates and assumptions are described below:

##### **Assumptions and Estimations**

Information about assumption and estimation uncertainties that have significant risk of resulting in a material adjustment are as below:

##### **1. Impairment test of non-financial assets**

For the purpose of assessing recoverability of non-financial assets, assets are grouped at the lower levels for which there are individually identifiable cash flows (Cash Generating Units).

##### **2. Allowance for bad debts**

The Management makes estimates related to the recoverability of receivables, whose book values are adjusted through an allowance for Expected losses. Management specifically analyzes accounts receivable, customers 'creditworthiness, current economic trends and changes in customer's collection terms when assessing the adequate allowance for expected losses, which are estimated over the lifetime of the debts.

##### **3. Recognition and measurement of Provisions and Contingencies**

The Company's Management estimates key assumptions about the likelihood and magnitude of an outflow of resources based on available information and the assumptions and methods deemed appropriate. Wherever required, these estimates are prepared with the assistance of legal counsel. As and when additional information becomes available to the Company, estimates are revised and adjusted periodically.

##### **4. Recognition of Deferred Tax Assets**

The Management makes estimates as regards to availability of future taxable profits against which unabsorbed depreciation/ tax losses carried forward can be used.

##### **5. Measurements of Defined benefit obligations**

The measurements are based on key actuarial assumptions, if applicable.

#### **e) Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Companies Act.

#### **f) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupee as per the requirement of Schedule III, unless otherwise stated.

### **1.2. MATERIAL ACCOUNTING POLICIES**

#### **a) Property, Plant and Equipment**

##### **(i) Recognition and measurement**

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Property, Plant and Equipment are measured at cost (which includes capitalised borrowing costs) less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of Property, Plant and Equipment comprises:

- a) its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates.
- b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.
- c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment and depreciated accordingly. Any gain or loss on disposal of an item of Property, Plant and Equipment is recognised in Statement of profit or loss.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**(iii) Depreciation, Estimated useful life and estimated residual value**

Depreciation is calculated using the Straight Line Method, pro rata to the period of use, taking into account useful lives and residual value of the assets. The Company depreciates its property, plant and equipment over the useful life in the manner prescribed in Schedule II to the Act and management believe that useful life of assets are same as those prescribed in Schedule II to the Act. Depreciation is computed with reference to cost or revalued value as per previous GAPP as the case may be. The assets residual value and useful life are reviewed and adjusted, if appropriate, at the end of each reporting period. Gains and losses on disposal are determined by comparing proceeds with carrying amounts. These are included in the statement of Profit and Loss.

**b) Intangible Assets**

**(i) Recognition and measurement**

Computer softwares have finite useful lives and are measured at cost less accumulated amortisation and any accumulated impairment losses. The same are tested for impairment, if any, at the end of each accounting period.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, when incurred is recognised in statement of profit or loss.

**(iii) Amortisation**

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in statement of profit or loss. Computer software are amortised over their estimated useful life or 5 years, whichever is lower. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted, if required.

**c) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options.

**(i) Financial Assets**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options.

**a) Classification**

The Company classifies its financial assets in the following measurement categories: -

those to be measured subsequently at Fair Value Through Other Comprehensive Income-[FVTOCI], or Fair Value Through Profit and Loss-[FVTPL] and - those measured at Amortised Cost.[AC]. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

**b) Measurement**

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through the Profit and Loss are expensed in the Statement of Profit and Loss.

**In case of investments**

**i) In Equity instruments**

- "- For subsidiaries, associates and Joint ventures - Investments are measured at cost and tested for impairment periodically. Impairment (if any) is charged to the Statement of Profit and Loss.
- For Other than subsidiaries, associates and Joint venture - Investments are measured at FVTOCI."

**ii) In Mutual fund**

Measured at FVTPL.

**iii) In Debt instruments**

The Company measures the debts instruments at Amortised Cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payment of principal and interest [SPPI] are measured at amortised cost. Gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of the hedging relationship, is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the Effective interest rate method.

**c) Derecognition of financial assets**

"A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset and has transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised.

Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained the control of the financial asset. Where the Company retains the control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**d) Impairment of financial assets**

"In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) Model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance. except where asset is not recoverable it will be written in same year.
- b) Trade receivables."

"The Company follows 'simplified approach' for recognition of impairment loss allowance on:

- Trade receivables which do not contain a significant financing component.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

- For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. ECL is used to provide for impairment loss."

## **(ii) Financial Liabilities**

### **a) Classification**

The Company classifies its financial liabilities in the following measurement categories:

"- those to be measured subsequently at FVTPL and - those measured at Amortised Cost (AC)"

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

### **b) Initial recognition and measurement**

"Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL or AC.

All financial liabilities are recognised initially at Fair Value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments."

### **c) Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities designated upon initial recognition as at Fair Value Through Profit or Loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, Fair Value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/loss are not subsequently transferred to statement of profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

#### **d) Loans and borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. AC is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to interest-bearing loans and borrowings.

#### **e) Derecognition**

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

#### **f) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

#### **g) Derivative financial instruments**

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts to hedge its foreign currency risks, interest rate risks and commodity price risks respectively. Such derivative financial instruments are initially recognised at Fair Value on the date on which a derivative contract is entered into and are subsequently re-measured at Fair Value. Derivatives are carried as financial assets when the Fair Value is positive and as financial liabilities when the Fair Value is negative.

#### **d) Trade Receivables**

Trade receivable are recognised initially at Fair Value and subsequently measured at AC using the effective interest method less provision for impairment. As per Ind AS 109 the Company has applied ECL for recognising the allowance for doubtful debts. Where Company has offered extended credit period [ECP] to the debtors, the said amount is recorded at present value, with corresponding credit in the statement of profit and loss over the tenure of the extended credit period.

#### **e) Cash and Cash Equivalent**

For the purpose of presentation in the statement of the cash flows, cash and cash equivalent includes the cash on hand, deposits held at call with financial institutions other short term, highly liquid investments with original maturity 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.

#### **f) Contributed Equity**

Equity shares are classified as equity. Incidental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **I) Dividends**

Provision is made for the amount of any dividend declared, in the year in which it is to be approved by shareholders.

#### **II) Earnings per share**

- (i) **Basic earnings per share**  
Basic earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amounts directly charged to Reserves) before/after Exceptional Items (net of tax) by Weighted average number of Equity shares (excluding treasury shares).
- (ii) **Diluted earnings per share**  
Diluted earnings per shares is calculated by dividing Profit/(Loss) attributable to equity holders (adjusted for amounts directly charged to Reserves) before/after Exceptional Items (net of tax) by Weighted average number of Equity shares (excluding treasury shares) considered for basic earning per shares including dilutive potential Equity shares.

**e) Borrowing**

Borrowings are initially recognised at Fair Value, net of transaction costs incurred. Borrowings are subsequently measured at AC. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowings using the effective interest method. Processing/Upfront fee are treated as prepaid asset and netted off from borrowings. The same is amortised over the period of the facility to which it relates. Preference shares are classified as liabilities. The dividends on these preference shares, if approved, by shareholders in the forthcoming Annual General Meeting, are recognised in profit or loss as finance costs, in the year when approved. Borrowings are derecognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability that has been extinguished or transferred to another party and the consideration paid including any non-cash assets transferred or liability assumed, is recognised in Statement of profit or loss as other gains or (losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer the settlement of liabilities for at least twelve months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the same is classified as current unless the lender agreed, after the reporting period and before the approval of financial statements for issue, not to demand payment as a consequence of the breach.

**f) Trade and Other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid at the period end. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their Fair Value and subsequently measured at amortised cost using the effective interest method.

**g) Foreign Currency Transactions**

Transactions in foreign currencies are translated into the functional currencies of the Company at the exchange rate prevailing at the date of the transactions. Monetary assets (other than investments in companies registered outside India) and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Investments in companies registered outside India are converted at rate prevailing at the date of acquisition. Non-monetary assets and liabilities that are measured at Fair Value in a foreign currency are translated into the functional currency at the exchange rate when the Fair Value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are not translated. Difference on account of changes in foreign currency are generally charged to the statement of profit & loss.

**h) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from Merchant Banking Consultancy service



fees which includes arranger fees, advisory fees, lead manager fees and are recognized when the Company satisfies performance obligation.

'Unbilled revenues' (contract asset) represent revenue earned in excess of billings as at the end of the reporting period. Where right to consideration is unconditional upon passage of time is classified as a financial asset however, for fixed price development contracts, where milestone is not due as per contract terms as on date of reporting, the same is classified as non-financial asset.

#### **Other Income**

- a) Dividend income is recognised when right to receive dividend is established.
- b) Interest and other income are recognised on accrual basis on time proportion basis and measured at effective interest rate and considered as business income.
- c) Income from Sale of Shares and Securities are recognized on the date of the relevant transactions."

#### **i) Government Grants**

- (i) Grants from the Government are recognised at their Fair Value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.
- (ii) Government grant relating to purchase of Property, Plant and Equipment are included in "Other current/ non-current liabilities" as Government Grant - Deferred Income and are credited to Profit or loss on a straight line basis over the expected life of the related asset and presented within "Other Operating revenue".

#### **j) Employee Benefits**

- (i) **During Employment benefits**
  - (a) **Short term employee benefits**

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

- (ii) **Post-Employment benefits**
  - (a) **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which Company pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay future amounts. The Company has no obligation for payment to any contributions as per the relevant Act.

#### **(b) Defined benefit plans**

The Company pays gratuity to the employees who have has completed five years of service with the company at the time when employee leaves the Company. The gratuity is payable as per the provisions of Payment of Gratuity Act, 1972. The gratuity liability is not ascertained as employees' have not completed five years of service as on 31st March, 2024.

#### **(c) Termination Benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date or when an employee accepts voluntary redundancy in exchange for these benefits. In case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of reporting period are discounted to the present value.

#### **k) Income Tax**

Income tax expense comprises current and deferred tax. Tax is recognised in statement of profit and loss, except to the extent that it relates to items recognised in the other comprehensive income or in equity. In such cases, the tax is also recognised in the other comprehensive income or in equity.

**(a) Current Tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance sheet date.

"Current tax assets and liabilities are offset only if, the Company:

- a) has a legally enforceable right to set off the recognised amounts; and
- b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously."

**(b) Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have enacted or subsequently enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period. Deferred tax is recognised to the extent that it is probable that future taxable profit will be available against which they can be used.

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

"Deferred tax assets and liabilities are offset only if:

- a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable Company."

**l) Borrowing Costs**

General and specific Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalisation. All other borrowing costs are charged to the statement of profit and loss for the period for which they are incurred.

**m) Leases**

Effective 1st April, 2019, the company adopted IND AS 116 - Leases. IFSL applied IND AS 116 using modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings at 1st April 2019.

**Accounting policy applicable from 1st April 2019**

At the inception it is assessed, whether a contract is a lease or contains a lease. A contract is a lease or contains a lease if it conveys the right to control the use of an identified asset, for a period of time, in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, company assesses whether the contract involves the use of an identified asset. Use may be specified explicitly or implicitly.

Use should be physically distinct or represent substantially all of the capacity of a physically distinct asset.

If the supplier has a substantive substitution right, then the asset is not identified.

Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use.

Company has the right to direct the use of the asset.

In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use

1. Company has the right to direct the use of the asset.
2. In cases where the usage of the asset is predetermined the right to direct the use of the asset is determined when the company has the right to use the asset or the company designed the asset in a way that predetermines how and for what purpose it will be used.

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices. For leases of property, it is elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

#### **As a Lessee:**

Company recognizes a right-of-use asset and a lease liability at the lease commencement date.

#### **Right-of-use asset (ROU):**

The right-of-use asset is initially measured at cost. Cost comprises of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred by the lessee, an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

After the commencement date, a lessee shall measure the right-of-use asset applying cost model, which is Cost less any accumulated depreciation and any accumulated impairment losses and also adjusted for certain re-measurements of the lease liability.

Right-of-use asset is depreciated using straight-line method from the commencement date to the end of the lease term. If the lease transfers the ownership of the underlying asset to the company at the end of the lease term or the cost of the right-of-use asset reflects company will exercise the purchase option, ROU will be depreciated over the useful life of the underlying asset, which is determined based on the same basis as property, plant and equipment.

#### **Lease liability:**

Lease liability is initially measured at the present value of lease payments that are not paid at the commencement date. Discounting is done using the implicit interest rate in the lease, if that rate cannot be readily determined, then using company's incremental borrowing rate. Incremental borrowing rate is determined based on entity's borrowing rate adjusted for terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprises of fixed payments (including in substance fixed payments), variable lease payments that depends on an index or a rate, initially measured using the index or rate at the commencement date, amount expected to be payable under a residual value guarantee, the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension

option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is re-measured when there is a change in the lease term, a change in its assessment of whether it will exercise a purchase, extension or termination option or a revised in-substance fixed lease payment, a change in the amounts expected to be payable under a residual value guarantee and a change in future lease payments arising from change in an index or rate.

When the lease liability is re-measured corresponding adjustment is made to the carrying amount of the right-of-use asset. If the carrying amount of the right-of-use asset has been reduced to zero it will be recorded in statement of profit and loss.

Right-of-use asset is presented as a separate category under “Non-current assets” and lease liabilities are presented under “Financial liabilities” in the balance sheet.

Company has elected not to recognise right-of-use assets and lease liabilities for short term leases. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

#### **Lessor**

At the commencement or modification of a contract, that contains a lease component, company allocates the consideration in the contract, to each lease component, on the basis of its relative standalone prices.

At the inception of the lease, it is determined whether it is a finance lease or an operating lease. If the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset, then it is a financial lease, otherwise it is an operating lease.

If the lease arrangement contains lease and non-lease components, then the consideration in the contract is allocated using the principles of IND AS 115. The company tests for the impairment losses at the year end. Payment received under operating lease is recognised as income on straight line basis, over the lease term.

The accounting policies applicable to the company as a lessor, in the comparative period, were not different from IND AS 116.

#### **n) Non- Current assets held for sale**

Non-Current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and sale is considered highly probable. They are measured at lower of their (a.) carrying amount and (b.) Fair Value less cost to sell. Non-current assets are not depreciated or amortised when they are classified as held for sale.

#### **o) Provisions and contingent liabilities**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expenses. Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

**BALANCE SHEET AS AT 31ST MARCH, 2024**

(Rs. In Lacs)

Particulars	Note No	As at 31st March, 2024	As at 31st March, 2023
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property, plant and equipments	2	4.71	0.91
(b) Financial assets			
i. Investments	3	103.88	443.39
ii. Loans	4	-	29.88
(c) Deferred tax assets (Net)	15	3.79	11.92
(d) Other non-current assets	5	2.40	1.08
<b>Total Non-Current Assets</b>		<b>114.78</b>	<b>487.18</b>
<b>Current Assets</b>			
(a) Financial assets			
i. Investments	3	-	17.38
ii. Trade receivables	6	24.45	1.98
iii. Cash and cash equivalents	7	21.07	5.93
iv. Bank balances other than (ii) above	7	130.00	87.46
v. Loans	4	1,033.73	320.17
(c) Other current assets	8	11.98	7.54
<b>Total Current Assets</b>		<b>1,221.23</b>	<b>440.45</b>
Non-Current Assets Classified as Held for Sale	9	1.58	1.58
<b>Total Assets</b>		<b>1,337.59</b>	<b>929.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity share capital	10	301.31	301.31
(b) Other equity	11	947.81	559.64
<b>Total Equity</b>		<b>1,249.12</b>	<b>860.95</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities		-	-
(b) Provisions		-	-
<b>Total Non-Current Liabilities</b>		-	-
<b>Current liabilities</b>			
(a) Financial liabilities			
i. Trade payables	12		
(a) Total outstanding dues of micro and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		7.12	2.34
(b) Other current liabilities	13	14.18	51.27
(c) Current year tax (Net)	14	67.16	14.66
<b>Total Current Liabilities</b>		<b>88.47</b>	<b>68.26</b>
<b>Total Liabilities</b>		<b>88.47</b>	<b>68.26</b>
<b>Total Equity and Liabilities</b>		<b>1,337.59</b>	<b>929.21</b>
Significant accounting policies and notes forming part of Financial Statement	1 to 38	-	-

As per our report of even date  
For, B. T. Vora & Co.  
Chartered Accountants  
Firm Registration No. 123652W  
Sd/-  
C. A. SHETH  
Partner  
Membership No.180506  
UDIN: 24180506BKHAFL9580  
Place: Ahmedabad Date: 29th May, 2024

For and on Behalf of the Board of Directors  
Interactive Financial Services Limited  
Sd/-  
Pradip Sandhir  
Managing Director & CFO  
DIN: 06946411  
Sd/-  
Jaini Jain  
Company Secretary

Sd/-  
Mayur Parikh  
Director  
DIN: 00005646

Statement of Profit and Loss for the year ended 31st March, 2024

(Rs. In Lacs)

Sr. No.	Particulars	Note No	2023-2024	2022-2023
	<b>Income from Operation</b>			
I.	Revenue from operations	16	306.65	155.77
II.	Other Income	17	41.03	122.70
<b>III.</b>	<b>Total Income</b>		<b>347.68</b>	<b>278.47</b>
<b>IV.</b>	<b>Expenses:</b>			
	Employee benefit expense	18	57.41	21.26
	Financial costs	19	1.51	1.58
	Depreciation and amortization expense	2	0.63	0.16
	Other expenses	20	131.38	102.05
	<b>Total Expenses</b>		<b>190.93</b>	<b>125.05</b>
<b>V.</b>	<b>Profit before tax (III - IV)</b>		<b>156.75</b>	<b>153.42</b>
<b>VI.</b>	<b>Tax expense:</b>	15		
	(1) Current tax		95.77	31.65
	(2) Deferred tax		0.05	0.60
	(3) Short/(Excess) Provision of Tax of earlier years		-	1.07
	<b>Net Tax Expense / (Benefit)</b>		<b>95.81</b>	<b>33.32</b>
<b>VIII</b>	<b>Profit/(Loss) for the period from continuing business (XI – XII)</b>		<b>60.94</b>	<b>120.10</b>
IX.	Profit/(loss) from discontinued operations		-	-
X	Tax expenses of discontinued operations		-	-
XI	Profit/(loss) from Discontinued operations (after tax) (IX-X)		-	-
<b>XII</b>	<b>Profit/(loss) for the period (VIII+XI)</b>		<b>60.94</b>	<b>120.10</b>
XIII.	Other Comprehensive Income	21		
	<b>Items that will not be reclassified to profit or loss</b>			
	(a) Equity Instruments designated through other comprehensive income		335.31	(51.77)
	(b) Income Tax on above		(29.76)	4.76
	<b>Other comprehensive income for the year, net of tax</b>		<b>305.54</b>	<b>(47.01)</b>
<b>XIV</b>	<b>Total Comprehensive Income for the year (XII+XIII)</b>		<b>366.48</b>	<b>73.09</b>
XV	Earning per equity share			
	(1) Basic		2.02	3.99
	(2) Diluted		2.02	3.99
	Significant Accounting Policies and Notes on Financial Statements	1 to 38		

As per our report of even date  
For, B. T. Vora & Co.  
Chartered Accountants  
Firm Registration No. 123652W  
Sd/-  
C. A. SHETH  
Partner  
Membership No.180506  
UDIN: 24180506BKHAFL9580  
Place: Ahmedabad Date: 29th May, 2024

For and on Behalf of the Board of Directors  
Interactive Financial Services Limited  
Sd/-  
Pradip Sandhir  
Managing Director & CFO  
DIN: 06946411  
Sd/-  
Jaini Jain  
Company Secretary

Sd/-  
Mayur Parikh  
Director  
DIN: 00005646

## Cash Flow Statement For The Year Ended On 31st March, 2024

(Amount in Lakhs)

Sr.No.	Particulars	2023-2024	2022-2023
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before taxation and extraordinary items	156.75	153.42
	Adjustment for :-		
	Depreciation and Amortization	0.63	0.16
	Interest Expense	1.51	1.58
	Advances Written off	29.88	0.00
	Short Term Capital Gain	-	(93.03)
	Dividend Income on Equity Shares	(0.08)	(0.23)
	Accrued Interest on FDR	(0.40)	0.00
	Interest Income	(40.60)	(22.92)
	<b>Operating Profit before working capital changes</b>	<b>147.71</b>	<b>38.99</b>
	Change in working Capital :		
	Adjustment for :-		
	Decrease/(increase) in Trade receivables	(22.47)	(1.58)
	Decrease/(increase) in Other Non-current Assets	(1.32)	(1.07)
	Decrease/(increase) in Other current Assets	(4.44)	(7.02)
	(Decrease) /increase in Trade payables	4.79	(0.34)
	(Decrease) /increase in Other current liabilities	(37.08)	40.34
	<b>Cash Generated from Operations</b>	<b>87.18</b>	<b>69.31</b>
	Direct tax Paid (net of refund)	(42.87)	(29.74)
	<b>Cash Flow before extraordinary items</b>	<b>44.32</b>	<b>39.57</b>
	Extraordinary Items/Prior Period Items	0.00	0.00
	<b>Net cash from/ (used in) Operating Activities</b>	<b>44.32</b>	<b>39.57</b>
<b>B.</b>	<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
	Proceeds from sale of Non-current investments	692.19	379.50
	Purchase of Non-current investments	0.00	(291.87)
	(Increase)/Decrease in Current - Financial loans/advances	(713.56)	(91.62)
	Dividend Income on Equity shares	0.08	0.23
	Purchase of Fixed Assets	(4.43)	(1.07)
	Interest income	40.60	22.92
	<b>Net Cash from/(used in) Investment Activities</b>	<b>14.88</b>	<b>18.09</b>
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
	Finance Cost Expense	(1.51)	(1.58)
	<b>Net Cash from/ (used in) Financial activities</b>	<b>(1.51)</b>	<b>(1.58)</b>
	<b>NET INCREASE / (-) DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>57.68</b>	<b>56.08</b>
	<b>OPENING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>93.39</b>	<b>37.31</b>
	<b>CLOSING BALANCE IN CASH AND CASH EQUIVALENTS</b>	<b>151.07</b>	<b>93.39</b>

## Note:

- The above statements of the cash flow has been prepared under the "Indirect methods" set out in Ind-As 7 on 'Statement of Cash Flow'
- Previous year figures have been regrouped or recast wherever, considered necessary
- Component of Cash & Cash Equivalents

Cash on Hand	0.98	0.93
Balances with bank - In Current accounts	20.09	5.00
Other Bank Balances - FDR maturity less than three months	130.00	87.46
<b>Total</b>	<b>151.07</b>	<b>93.39</b>

As per our report of even date  
For, B. T. Vora & Co.  
Chartered Accountants  
Firm Registration No. 123652W  
Sd/-  
C. A. SHETH  
Partner  
Membership No.180506  
UDIN: 24180506BKHAFL9580  
Place: Ahmedabad Date: 29th May, 2024

For and on Behalf of the Board of Directors  
Interactive Financial Services Limited  
Sd/-  
Pradip Sandhir  
Managing Director & CFO  
DIN: 06946411  
Sd/-  
Jaini Jain  
Company Secretary

Sd/-  
Mayur Parikh  
Director  
DIN: 00005646

**Statement Of Changes In Equity For The Year Ended 31st March 2023**

(Amount in Lakhs)

(a) Equity Share Capital	As at 31st March, 2024		As at 31st March, 2023	
	Number	Amount Rs.	Number	Amount Rs.
Balance at the beginning of the reporting period	30,13,100	301.31	30,13,100	301.31
Changes in Equity Share capital during the year	-	-	-	-
<b>Balance at the end of the reporting period</b>	<b>30,13,100</b>	<b>301.31</b>	<b>30,13,100</b>	<b>301.31</b>

**(b) Other Equity**

Particulars	Reserve for equity instruments through OCI	Retained Earning	Total
<b>Balance at 1st April, 2022</b>	<b>222.98</b>	<b>263.57</b>	<b>486.55</b>
Profit for the year	-	120.10	120.10
Other Comprehensive Income for the year	(47.01)	-	(47.01)
Reclassification of loss on Equity Instruments classified through OCI to Retained earning on event of actual sales	-	-	-
Reversal of DTA on above reclassification	-	-	-
Total Comprehensive Income for the year	(47.01)	120.10	73.09
<b>Balance at 31st March, 2023</b>	<b>175.97</b>	<b>383.67</b>	<b>559.64</b>
Profit for the year	-	60.94	60.94
Other Comprehensive Income for the year	305.54	-	305.54
Reclassification of loss on Equity Instruments classified through OCI to Retained earning on event of actual sales	(561.76)	561.76	-
Reversal of DTA on above reclassification	46.88	(25.19)	21.68
<b>Total Comprehensive Income for the year</b>	<b>(209.34)</b>	<b>597.51</b>	<b>388.17</b>
<b>Balance at 31st March, 2024</b>	<b>(33.37)</b>	<b>981.18</b>	<b>947.81</b>

As per our report of even date

**For, B. T. Vora & Co.**  
Chartered Accountants  
Firm Registration No. 123652W

SD/-  
**C. A. SHETH**  
Partner  
Membership No.180506  
UDIN: 24180506BKHAFL9580

Place: Ahmedabad  
Date: 29th May, 2024

For and on Behalf of the Board of Directors  
**INTERACTIVE FINANCIAL SERVICES LIMITED**

SD/-  
**Pradip Sandhir**  
Managing Director & CFO  
DIN: 06946411  
SD/-  
**Jaini Jain**  
Company Secretary

Place: Ahmedabad  
Date : 29th May, 2024



**Interactive Financial Services Limited**  
Notes forming part of the Financial Statements as at 31st March, 2024

**2. Property, Plant and Equipment**

As at 31st March, 2024

(Rs. In Lacs)

Particulars	Gross Block			Depreciation Fund				Net Block		
	Total As on	Addition during the year	Deduction during the year	Total As on	Total As on	Provided during the year	Deduction/Adjustment during the year	Total As on	Total As on	Total As on
	01-Apr-23			31-Mar-24	01-Apr-23			31-Mar-24	31-Mar-24	31-Mar-23
<b>Property, Plant and Equipment</b>										
<b>Other Assets</b>										
Computers & Peripherals	0.79	1.43		2.22	0.13	0.51	-	0.64	1.58	0.66
Office Equipments	0.28	-		0.28	0.03	0.05	-	0.08	0.20	0.25
Furniture & Fixtures		3.00		3.00	-	0.07	-	0.07	2.93	-
<b>Total Rs.</b>	<b>1.07</b>	<b>4.43</b>	<b>-</b>	<b>5.50</b>	<b>0.16</b>	<b>0.63</b>	<b>-</b>	<b>0.79</b>	<b>4.71</b>	<b>0.91</b>

As at 31st March, 2023

Particulars	Gross Block			Depreciation Fund				Net Block		
	Total As on	Addition during the year	Deduction during the year	Total As on	Total As on	Provided during the year	Deduction/Adjustment during the year	Total As on	Total As on	Total As on
	01-Apr-22			31-Mar-23	01-Apr-22			31-Mar-23	31-Mar-23	31-Mar-22
<b>Property, Plant and Equipment</b>										
<b>Assets retired from active use, now classified as held for sale</b>										
Office Building	2.84	-	2.84	-	1.79		1.79	-	-	1.05
Office Equipments	0.53	-	0.53	-	-		-	-	-	0.53
<b>Other Assets</b>										
Computers & Peripherals		0.79		0.79	-	0.13		0.13	0.66	-
Office Equipments		0.28		0.28	-	0.03		0.03	0.25	-
<b>Total Rs.</b>	<b>3.37</b>	<b>1.07</b>	<b>3.37</b>	<b>1.07</b>	<b>1.79</b>	<b>0.16</b>	<b>1.79</b>	<b>0.16</b>	<b>0.91</b>	<b>1.58</b>

**Interactive Financial Services Limited**  
**Notes forming part of the Financial Statements as at 31st March, 2024**

(Rs. In Lacs)

Particulars		As at 31st March, 2024	As at 31st March, 2023
3	Non-Current Investment		
	(a) Investments designated through OCI		
	Investment in Equity Instrument - Quoted	103.88	443.39
	<b>Total</b>	<b>103.88</b>	<b>443.39</b>

**Details of Non-Current Investment**

(a)	Investments designated through OCI	As at 31st March, 2024		As at 31st March, 2023	
		No. of Shares	Amount	No. of Shares	Amount
	<b>Quoted</b>				
1	Ashapuri Gold Ornaments Ltd	-	-	5,21,000	373.50
2	Gala Global Products Ltd.	21,000	0.62	21,000	1.34
3	Innovana Thinklabs Ltd	15,000	81.00	15,000	46.63
4	Kids Medical Systems Ltd.	1,28,000	10.14	1,28,000	10.14
5	Rachana Infrastructure Industries Ltd	4,000	1.61	-	-
6	Raw Edge Industrial Solutions Ltd.	17,280	5.22	17,280	6.79
7	Shubham Polyspin Ltd	28,600	5.29	26,000	4.99
	<b>Total</b>	<b>2,13,880</b>	<b>103.88</b>	<b>7,28,280</b>	<b>443.39</b>

Particulars		As at 31st March, 2024	As at 31st March, 2023
3	Current Investment		
	(a) Investments designated through OCI		
	Investment in Equity Instrument - Quoted	-	17.38
	<b>Total</b>	<b>-</b>	<b>17.38</b>

**Details of Current Investment**

(a)	Investments designated through OCI	As at 31st March, 2024		As at 31st March, 2023	
		No. of Shares	Amount	No. of Shares	Amount
	<b>Quoted</b>				
1	Rachana Infrastructure Industries Ltd	-	-	4,000	17.38
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,000</b>	<b>17.38</b>

(Rs. In Lacs)

4	Loans		
	<b>Non-current</b>		
	a. Loans to Other		
	- Secured, considered good		
	- Unsecured, considered good	-	-
	- Doubtful	29.88	29.88
		<b>29.88</b>	<b>29.88</b>
	Less : Advances written off (Impairment Loss)	(29.88)	-
		<b>-</b>	<b>29.88</b>
	<b>Current</b>		
	a. Loans to Others		
	- Secured, considered good		
	- Unsecured, considered good	992.24	278.69
	- Doubtful	41.48	41.48
		<b>1033.73</b>	<b>320.17</b>

	Less : Allowance for bad and doubtful loans	-	-
		<b>1033.73</b>	<b>320.17</b>
	<b>Total</b>	<b>1033.73</b>	<b>350.05</b>

**Note:**

Disclosures as per schedule V of SEBI LODR) Regulation, 2015:

- Loans & Advances to others under current includes Rs. 15.78 lacs as at 31st March 2024 (Previous Year as at 31st March 2023 - Rs. 72.56 lacs) due from a company/Individual in which one of director/KMP is director / Member / Relative of KMP.
- None of the loanees have made investment in share of the company.

(Rs. In Lacs)

<b>5</b>	<b>Other non-current assets</b>		
	Deposits	2.40	1.08
	Balance with Government Authorities	-	-
	<b>Total</b>	<b>2.40</b>	<b>1.08</b>

(Rs. In Lacs)

<b>6</b>	<b>Trade Receivable</b>		
	Secured and considered good	-	-
	Unsecured and considered good	24.45	1.98
	<b>Total</b>	<b>24.45</b>	<b>1.98</b>

**Ageing of Sundry Debtors**

As at 31st March 2024

Particulars	Less than 6 months	6 month to 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Considered good	0.24	23.54	0.67	-	-	24.45
Considered doubtful						
Disputed						
Considered good						
Considered doubtful						
Unbilled Amount						
<b>Total</b>	<b>0.24</b>	<b>23.54</b>	<b>0.67</b>	<b>-</b>	<b>-</b>	<b>24.45</b>

As at 31st March 2023

Particulars	Less than 6 months	6 month to 1 years	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
Considered good	1.31	0.67	-	-	-	1.98
Considered doubtful						
Disputed						
Considered good						
Considered doubtful						
Unbilled Amount						
<b>Total</b>	<b>1.31</b>	<b>0.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.98</b>

**Note:**

- Trade Receivables Others Includes Rs. Nil/- as at 31st March 2024 (Previous Year as at 31st March 2023 Rs. Nil/-) due from Associates party.
- Refer Note No - 31 for information about Credit Risk and Market Risk of Trade Receivables.

(Rs. In Lacs)

<b>7 Cash and Bank Balances</b>			
a. Cash and Cash Equivalents			
Cash			
	Cash on hand	0.98	0.93
Cash Equivalents			
Balances with banks			
	- in current accounts	20.09	5.00
		<b>21.07</b>	<b>5.93</b>
b. Other Bank Balances			
	ICICI Bank Fixed Deposit (Maturity on demand)	130.00	87.46
		<b>130.00</b>	<b>87.46</b>
	<b>Total</b>	<b>151.07</b>	<b>93.39</b>

<b>8 Other current Assets</b>			
	Accrued Interest on Term Deposit	0.40	-
	Advance given to creditors	3.69	0.33
	Prepaid Exps	6.95	1.51
	Balance with Govt. Authorities	0.94	5.70
	<b>Total</b>	<b>11.98</b>	<b>7.54</b>

<b>9 Non-Current Assets Classified as Held for Sale</b>			
i)	Office Building - Gross Block	2.84	2.84
ii)	Furniture & Fixtures - Gross Block	0.53	0.53
	Less: Accumulated depreciation	(1.79)	(1.79)
	<b>Total</b>	<b>1.58</b>	<b>1.58</b>

ADuring the FY 2022-23 Office Building and Furniture & Fixtures are retired from active use from 01-04-2022 and therefore, classified as Non-Current Asset held for sale and valued at carrying value which is assumed to be less than fair value as in accordance with IND AS -105.

(Rs. In Lacs)

<b>10 Share Capital</b>			
Equity Share Capital			
Authorised Share capital :			
	80,00,000 (Previous year 80,00,000) Equity Shares of Rs.10/-each	800.00	800.00
Issued, subscribed & paid up:			
	30,13,100 (Previous year 30,13,100) Equity Shares of Rs.10/-each, fully paid up	301.31	301.31
	<b>Total</b>	<b>301.31</b>	<b>301.31</b>

**Notes:**

i) All the equity shares carry equal rights and obligation including for dividend and with respect to voting.

ii) The Reconciliation of the number of shares and amount outstanding as at the year-end is set as below:

Particular	As at 31st March, 2024		As at 31st March, 2023	
	Number of shares	Amount Rs.	Number of shares	Amount Rs.
Equity shares at the beginning of the year	30,13,100	301.31	30,13,100	301.31
Add: Equity Shares issued during the year	-	-	-	-
Equity shares at the end of the year	30,13,100	301.31	30,13,100	301.31

iii) The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below:

Particulars	As at 31st March, 2024		As at 31st March, 2023	
Pradeep Sandhir	5,71,000	18.95%	5,71,000	18.95%
Mona Sandhir	1,51,146	5.02%	1,51,146	5.02%
Anilkumar Nandkishore Mittal	-	-	-	0.00%
Miker Financial Consultants Pvt Ltd	-	-	-	0.00%

iv) The company is neither Holding Company nor a subsidiary of any other company.

v) During preceding 5 years, neither any shares have been allotted for consideration other than cash, bonus shares nor any shares have been bought back.

(Rs. In Lacs)

11	Other Equity	Reserve for equity instruments through other comprehensive income	Retained earnings	Total
	<b>Reserves and Surplus</b>			
	<b>Balances as on 1st April, 2022</b>	<b>222.98</b>	<b>263.57</b>	<b>486.55</b>
	Add / (Less): Net fair value gain on investments in equity instruments at FVTOCI	(51.77)	-	(51.77)
	Less: Income tax on net fair value gain on investments in equity instruments at FVTOCI	4.76	-	4.76
	Add / (Less): Reclassification of loss/(profit) on Equity shares classified through OCI to Retained earning on event of actual sales	-	-	-
	Add / (Less): Reversal of DTA on actual Equity instruments sold	-	-	-
	Add: Net profit / (loss) after tax from continuing operations	-	120.10	120.10
	<b>Balances as on 31st March, 2023</b>	<b>175.97</b>	<b>383.67</b>	<b>5,59,64,025</b>
	Add / (Less): Net fair value gain on investments in equity instruments at FVTOCI	335.31	-	335.31
	Less: Income tax on net fair value gain on investments in equity instruments at FVTOCI	(29.76)	-	(29.76)
	Add / (Less): Reclassification of gain on Equity shares classified through OCI to Retained earning on event of actual sales	(561.76)	561.76	-
	Add / (Less): Reversal of DTL on actual Equity instruments sold	46.88	(25.19)	21.68
	Add: Net profit / (loss) after tax from continuing operations	-	60.94	60.94
	<b>Balances as on 31st March, 2024</b>	<b>(33.37)</b>	<b>981.18</b>	<b>947.81</b>

#### Nature and Purpose of Reserve:

##### Reserve for equity instruments through other comprehensive income

This reserve represents the cumulative gains and losses on the revaluation of equity instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

**Retained earnings**

The same is created out of profits over the years and shall be utilised as per the provisions of the Act.

(Rs. In Lacs)

<b>12 Trade Payable</b>			
	Due to Other than Micro, Small and Medium Enterprises	7.12	2.34
	<b>Total</b>	<b>7.12</b>	<b>2.34</b>

**Ageing of Sundry creditors**

As at 31st March 2024

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed					
MSME	-				-
Other *	7.12				7.12
Disputed					
MSME					
Other					
Unbilled Amount					
<b>Total</b>	<b>7.12</b>				<b>7.12</b>

As at 31st March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed					
MSME	-				-
Other *	2.34				2.34
Disputed					
MSME					
Other					
Unbilled Amount					
<b>Total</b>	<b>2.34</b>				<b>2.34</b>

- i) On the basis of the information available with the Company and intimations received from suppliers (Trade Payable and Other Payables), there are no dues payable as on 31st March, 2024 (31st March, 2023 : Nil) to Suppliers / Service providers covered under Micro, Small, Medium Enterprises Development Act, 2006. In view of this information required to be disclosed u/s. 22 of the said Act is not given.
- ii) \* Trade Payables for others includes Rs. 2,61,957/- as at 31st March 2024 (Previous Year as at 31st March 2023 Rs. 2,00,701/-) due to KMP for Unpaid Remuneration & Unpaid reimbursement expenses with KMPs

(Rs. In Lacs)

<b>13 Other current liabilities</b>			
	Outstanding Liabilities	2.49	2.35
	Advances from customers	6.15	45.52
	Statutory Liabilities	5.55	3.40
	<b>Total</b>	<b>14.18</b>	<b>51.27</b>

(Rs. In Lacs)

<b>14 Current year tax (Net)</b>			
	Provision for Income Tax	95.77	31.65
	Less:		
	Advance Tax/TDS Receivables	(28.60)	(16.99)
	<b>Total</b>	<b>67.16</b>	<b>14.66</b>

## 15. Tax Expenses

### (a) Amounts recognised in Statement of Profit and Loss

(Rs. In Lacs)

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
Current Income Tax	95.77	31.65
Excess provision of Income Tax in respect of Earlier years	-	1.07
Deferred Income Tax Liability / (Asset), net		
Origination and reversal of temporary differences	0.05	(0.16)
Change in recognised deductible temporary differences	-	0.76
<b>Deferred Tax Expense</b>	<b>0.05</b>	<b>0.60</b>
<b>Total Tax Expense for the year</b>	<b>95.81</b>	<b>33.32</b>

### (b) Amounts recognised in Other Comprehensive Income

Particulars	For the year ended 31st March, 2024			For the year ended 31st March, 2023		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to profit or loss						
Equity Instruments designated through other comprehensive income	335.31	(29.76)	305.54	(51.77)	4.76	(47.01)
<b>Total</b>	<b>335.31</b>	<b>(29.76)</b>	<b>305.54</b>	<b>(51.77)</b>	<b>4.76</b>	<b>(47.01)</b>

### (c) Reconciliation of Tax Expense

Particulars	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<b>Profit Before Tax</b>	<b>156.75</b>	<b>153.42</b>
Tax using the Company's domestic tax rate	39.45	38.61
<b>Non-Deductible Tax Expenses</b>		
Depreciation	0.16	0.04
Interest on Income Tax & TDS late payment	0.38	0.31
Exps Disallowed under Section 37	0.00	0.30
<b>Allowable Tax Expenses</b>		
Depreciation	(0.21)	(0.07)
Items subject to differential tax rate		
Short term Capital Gain - EQS	-	(23.42)
Short term Capital Gain - EQS as per IT	-	15.87
Long Term Capital Gain on EQS as per IT	55.98	
<b>Others</b>		
Adjustment for Tax of Prior Periods	-	1.07
<b>Deferred Tax Liability / (Assets) :-</b>		
Provisions	-	0.76
Difference in carrying value of PPE	0.05	(0.16)
<b>Tax expense</b>	<b>95.81</b>	<b>33.32</b>

**(d) Movement in Deferred Tax Balances**

Net Balance as at 31st March, 2024

Particulars	Net Balance 1st April, 2023	Recognised / Reversal Retained Earning	Recognised Profit or Loss	Recognised in OCI	Deferred Tax Liability	Deferred Tax Asset	Net Deferred Tax Liability / (Assets)
<b>Deferred Tax (Asset)/Liability</b>							
Property, Plant and Equipment	0.03	-	0.05	-	0.08	-	0.08
Investments	(11.95)	(21.68)	-	29.76	-	(3.87)	(3.87)
<b>Net Deferred Tax (Asset)/Liability</b>	<b>(11.92)</b>	<b>(21.68)</b>	<b>0.05</b>	<b>29.76</b>	<b>0.08</b>	<b>(3.87)</b>	<b>(3.79)</b>

Net Balance as at 31st March, 2023

Particulars	Net Balance 1st April, 2022	Recognised / Reversal Retained Earning	Recognised Profit or Loss	Recognised in OCI	Deferred Tax Liability	Deferred Tax Asset	Net Deferred Tax Liability
<b>Deferred Tax (Asset)/Liability</b>							
Property, Plant and Equipment	0.20	-	(0.16)	-	0.20	(0.16)	0.03
Investments	(7.19)	-	-	(4.76)	-	(11.95)	(11.95)
Provision	(0.76)	-	0.76	-	0.76	(0.76)	-
<b>Net Deferred Tax (Asset) / Liability</b>	<b>(7.76)</b>	<b>-</b>	<b>0.60</b>	<b>(4.76)</b>	<b>0.96</b>	<b>(12.88)</b>	<b>(11.92)</b>

(Rs. In Lacs)

Note No	Particulars	2023-2024	2022-2023
<b>16</b>	<b>Revenue from Operations</b>		
	Financial Consultancy Services (net)	306.65	155.77
	<b>Total</b>	<b>306.65</b>	<b>155.77</b>

**Revenue from Operation based on geographical area**

(Rs. In Lacs)

Particulars	2023-2024	2022-2023
Within India	306.65	155.77
Outside India - USA	-	-
<b>Total</b>	<b>306.65</b>	<b>155.77</b>

**Information about major customers**

During the financial year 2021-22, Company has started Business of providing Financial Consultancy Services as Merchant Banker. For which the necessary license is already procured from SEBI. Company does not have any major customers. For upto last financial year 2021-22 the company had a single customer based in USA to whom all Export sales are made and a single customer based in India to whom all Domestic sales were made. During financial year 2022-23 Software Services Business is closed and no transaction pertaining that business is outstanding.



(Rs. In Lacs)

<b>17 Other Income</b>			
	Interest Income	40.60	22.92
	Dividend Income on Equity Shares	0.08	0.23
	Short Term Capital Gain on Equity Shares (net)	-	93.03
	Other Income	0.35	6.52
	<b>Total</b>	<b>41.03</b>	<b>122.70</b>

(Rs. In Lacs)

<b>18 Employee Benefits Expenses</b>			
	Salary, Bonus & Ex Gratia	41.23	17.92
	Directors Remuneration	10.50	1.75
	Stipend Exps	0.94	1.60
	Staff Welfare Exps	4.74	-
	<b>Total</b>	<b>57.41</b>	<b>21.26</b>

(Rs. In Lacs)

<b>19 Finance Costs</b>			
	Interest Expenses	1.51	1.56
	Bank Charges	0.00	0.02
	<b>Total</b>	<b>1.51</b>	<b>1.58</b>

(Rs. In Lacs)

<b>20 Other Expenses</b>			
	Advertisement	1.17	1.17
	Auditors Remuneration	1.50	1.50
	Directors' Sitting Fees	1.20	0.75
	Electricity Expenses	0.77	0.60
	Rent for Office (Refer Note No. 31)	6.84	5.40
	Listing Fees	3.30	3.50
	Professional & Consultancy Fees Exps	44.40	69.10
	Account Writing Charges	1.20	-
	Professional Charges*	1.10	1.00
	Travelling Expenses	3.31	2.90
	Brokerage & Commission Exps	30.60	-
	Business Promotion Exps	1.04	-
	Advances written off	29.88	-
	Software Exps	-	0.23
	Domain, Mail, Web Hosting & Site Maintenance	1.19	0.46
	Administrative & General Expenses	3.87	3.62
	<b>Total</b>	<b>131.38</b>	<b>102.05</b>

**Note:****i. Payment to Auditors: (exclusive of GST)**

(Rs. In Lacs)

<b>Particulars</b>	<b>2023-2024</b>	<b>2022-2023</b>
i) For Audit Fees	1.50	1.50
ii) For Taxation services	0.45	0.45
iii) *For Other Services (included in Professional Charges)	0.36	0.27
<b>Total</b>	<b>2.31</b>	<b>2.22</b>

(Rs. In Lacs)

<b>21 Other Comprehensive Income</b>			
	<b>Items that will not be reclassified to profit or loss</b>		
	Equity Instruments designated through OCI	335.31	(51.77)
	<b>Total</b>	<b>335.31</b>	<b>(51.77)</b>

22. Corresponding figures for previous year presented have been regrouped, where necessary, to confirm to the current period's classification.

23. Figures have been rounded off to nearest of rupee.

#### 24. Contingent Liabilities and Commitments

##### A. Not provided for in the accounts

<b>Particulars</b>	<b>2023-2024</b>	<b>2022-2023</b>
Counter Guarantee Given to Banks	NIL	NIL
Claims not acknowledged as debt	NIL	NIL
Disputed demand of Income Tax AY 2018-19 under Appeal	149.08	149.08

##### B. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances) of Rs. Nil (Previous year: as at 31st March, 2023 Rs. Nil).

#### 25. Disclosures pursuant to Indian Accounting Standard -19 "Employee Benefits":

##### A. Defined Contribution Plan:

The company has recognised as an expense in the profit and loss account in respect of defined contribution plan – Provident Fund of Rs. Nil/- (Previous year Rs. Nil /-) administered by the Government. Provident fund is not payable by the company as per Provident Fund Act during the year on account of employees not exceeding 10 numbers.

##### B. Defined benefit plan and long term employment benefit

##### General Description:

##### Gratuity (Defined Benefit Plan):

The provision of gratuity payable under the Payment of Gratuity Act is not applicable to the company during the year under audit.

##### Leave Wages:

The leave wages are payable to all eligible employees at the rate of daily salary/wages for each day of accumulated leave and are paid during the financial year itself. Therefore no liability is accrued at the end of the financial year for leave benefits as per practice followed by the company year to year.

#### 26. Earnings in Foreign currency

<b>Particulars</b>	<b>2023-2024</b>	<b>2022-2023</b>
Exports at FOB value	0	0

**27. Related party Disclosure. :-**

Disclosures as required by Indian Accounting Standard 24 “Related Party Disclosures” are given below.

**A. Key Management Personnel (KMP)**

1	Mr. Pradeep Sandhir	Managing Director & CFO
2	Mr. Mayur Parikh	Director
3	Ms. Jaini Jain	Company Secretary

**B. Related Parties**

1	Beeline Broking Limited
2	Mona Broking LLP
3	Ripal Gevariya

**C. Transactions with KMP & Related parties:****(Rs. In Lacs)**

S.N.	Nature of Transactions	2023-2024		2022-2023	
		Related Parties	KMP	Related Parties	KMP
1	Remuneration Paid	-	22.75	-	8.65
2	Reimbursement of Expenses	-	3.19	-	3.05
3	Interest Income	4.21	1.11	6.94	-
4	Loan & Advances Given	90.00	12.00	100.00	-
	<b>Balance Outstanding</b>				
a.	Loan & Advances	2.67	13.11	72.56	-
b.	Sundry Creditors for Expenses	-	1.82	-	2.01

**D. Material Transactions with KMP & Related parties:****(Rs. In Lacs)**

S.N.	Name of Related Party/ KMP	Nature of Transaction	2023-2024	2022-2023
1	Mr. Pradeep Sandhir	Remuneration	10.50	8.65
2	Ms. Jaini Jain	Remuneration	12.25	6.90
3	Ms. Jaini Jain	Loan & Advances given	12.00	-
4	Ms. Jaini Jain	Interest Income	1.11	-
5	Ripal Gevariya	Interest Income	1.78	-
6	Ripal Gevariya	Loan & Advances given	90.00	-
7	Ripal Gevariya	Loan & Advances received back	90.00	-
8	Beeline Broking Limited	Interest Income	2.43	6.94
9	Beeline Broking Limited	Loan & Advances given	0.00	75.00
10	Beeline Broking Limited	Loan & Advances received back	74.10	95.50
11	Mona Broking LLP	Loan & Advances given	-	25.00
12	Mona Broking LLP	Loan & Advances received back	-	25.00

**28. Segment Reporting:**

**Disclosures as required by Indian Accounting Standard 108 “Operating Segments” are given below**

As per the Management Chief Operating Decision Maker (CODM) for purpose of resource allocation and assessment and the segment performance focus on only one major operating division - 'Merchant Banking Division' during the current year. Since the company has only one segment, there is no separate reportable segment as required under Ind AS 108.

The revenue from operation based on geographical areas are as below:

Geographical area	2023-2024	2022-2023
Within India	306.65	155.77
Outside India - USA	-	-
<b>Total</b>	<b>306.65</b>	<b>155.77</b>

The company had a single customer based in USA upto 31.03.2022 to whom all Export sales were made and a single customer based in India to whom all Domestic sales were made upto 31.03.2022. From FY 2022-23, there is no single customer or revenue which is within India or outside India.

During the FY 2022-23, Software business of the Company has been discontinued from 01-04-2022 and there are no revenue, expenditure, assets or liabilities attributable to such business and hence no additional disclosures are required in accordance with Schedule III to the Companies Act, 2013 and Indian Accounting Standard – 105.

## 29. Particulars of Earnings Per Share:

Earning per share computed in accordance with Indian Accounting Standard 33 as given below:

Particulars	2023-2024	2022-2023
Net Profit attributable to Share Holders	60.94	120.10
Number of Equity shares/Weighted Equity Shares	30,13,100	30,13,100
Nominal value of share	10.00	10.00
Earning per share	2.02	3.99

The Company does not have any outstanding dilutive potential equity shares. Consequently, the basic and dilutive earning per share of the Company remain the same.

## 30. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### Leases in which the company is a Lessee Office premises

The Company has leasing arrangements for its registered office. Non-cancellable period for this leasing arrangements is less than 12 months and the Company elected to apply the recognition exemption for short term leases to this lease. The lease amount is charged as rent. The Total lease payments accounted for the year ended March 31, 2024 is Rs. 6.84 lakhs (previous year Rs. 5.40 lakhs).

## 31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

### A. Accounting classification and Fair Values

The following table shows the carrying amounts and Fair Values of Financial Assets and Financial Liabilities, including their levels in the Fair Value hierarchy. It does not include Fair Value information for Financial Assets and Financial Liabilities not measured at Fair Value if the carrying amount is a reasonable approximation of Fair Value.

(Rs. In Lacs)

March 31, 2024	Carrying Amount				Fair Value	
	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total	Level 1	Level 2
<b>Financial Assets measured at amortised Cost :-</b>						
Non - Current Investments	-	103.88	-	103.88	103.88	-
Current Investments		-	-	0.00	-	
Trade Receivables			24.45	24.45	-	-
<b>Loans :-</b>						

Non-current			29.88	29.88	-	-
Less: Written off			(29.88)	(29.88)		
Current			1033.73	1033.73	-	-
Cash and cash equivalents			151.07	151.07	-	-
<b>Total Financial Assets</b>	-	<b>103.88</b>	<b>1209.25</b>	<b>1313.13</b>	<b>103.88</b>	-
<b>Financial Liabilities measured at amortised Cost :-</b>						
Borrowings - current			-	-	-	-
Trade payables - current			7.12	7.12	-	-
<b>Total Financial Liabilities</b>	-	-	<b>7.12</b>	<b>7.12</b>	-	-

March 31, 2023	Carrying Amount				Fair Value	
	Fair Value through P&L	Fair Value through OCI	Amortised Cost	Total	Level 1	Level 2
<b>Financial Assets measured at amortised Cost :-</b>						
Current Investments	-	443.39	-	443.39	443.39	-
Trade and Other Receivables	-	-	1.98	1.98	-	-
<b>Loans :-</b>						
Non-current	-	-	29.88	29.88	-	-
Current	-	-	320.17	320.17	-	-
Cash and cash equivalents	-	-	5.93	5.93	-	-
<b>Total Financial Assets</b>	-	<b>443.39</b>	<b>357.96</b>	<b>801.35</b>	<b>443.39</b>	-
<b>Financial Liabilities measured at amortised Cost :-</b>						
Borrowings - current	-	-	-	-	-	-
Trade payables - current			2.34	2.34	-	-
<b>Total Financial Liabilities</b>	-	-	<b>2.34</b>	<b>2.34</b>	-	-

“(1) Fair Value of financial Assets and Liabilities are measured at Amortized cost is not materially different from the Amortized cost. Furthers impact of time value of money is not Significant for the financial instrument classified as current. Accordingly, fair value has not been disclosed separately.”

**Types of inputs are as under:**

Input Level I: (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an Equity Security on Security Exchanges

Input Level II: (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III: (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

## Financial instruments measured at fair value

### Type Valuation technique

Currency fluctuation Based on rates of Reserve Bank of India.

Equity Valuation Based on exchange rates listed on NSE/BSE stock exchange

### B. Financial Risk Management:-

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk ;
- Liquidity Risk ; and
- Market Risk
  - Currency Risk
  - Interest Rate Risk
  - Equity Risk

### Risk Management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Board of Directors. The activities of this department include management of cash resources, borrowing strategies, and ensuring compliance with market risk limits and policies.

The Company's Risk Management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk Management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee oversees how management monitors compliance with the Company's Risk Management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### i. Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments in debt securities and loans.

Credit Risk also arises from cash held with banks, credit exposure to clients, loans and advances given. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The company assesses the credit quality of counter parties taking into account their financial position, past experience and other factors.

### Other Financial Assets

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

The Company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

All loans, in the opinion of management which are not recoverable are written off. The Company may write off financial assets that are still subject to enforcement activity. The Company still seeks to recover amounts it is legally owed in full, but which have been written off due to no reasonable expectation of full recovery. Company does not provide for Impairment on Loans given as advances which are not recoverable and are written off immediately.

Company had advanced a loan in form of advance very long time ago to three parties namely i) Advance Caplease Pvt Ltd (struck off) ii) Advance Constructions Limited iii) Murgan Non Trading Corporation in the course of its lending business. Business income was realized on the loans in the form of interest upto 31st March, 2022, interest income of Rs. 29.88 lakhs was booked on accrual basis during past few years which is closing balances of all three parties. However, the same is not realized till date. i) Advance Caplease Pvt Ltd is company struck off by MCA (Rs. 2.99 lacs), ii) Advance Construction Limited is not traceable (Rs. 3.82 lacs), iii) Murgan Non Trading Corporation is also not traceable (Rs. 23.08 lacs). Based on our own due diligence and legal opinion, Company has come to the conclusion that a sum of Rs. 29.88 lacs (29.88 lacs i.e. accrued Interest) is not recoverable. Hence, it needs to be written off. Accordingly, company has written off loans and advances granted in the course of business along with accrued interest as a charge to Profit and Loss Account.

### Trade Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

The maximum exposure to Credit Risk for Trade Receivables by geographic region was as follows:

Particulars	31st March, 2024	31st March, 2023
Domestic	24.45	1.98
Outside India - USA	-	-
<b>Total</b>	<b>24.45</b>	<b>1.98</b>

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	31st March, 2024	31st March, 2023
Neither Due nor impaired	-	1.98
Past Due 1 - 90 Days	0.24	-
Past Due 91 - 180 Days	-	-
More than 180 Days	24.21	-
<b>Total</b>	<b>24.45</b>	<b>1.98</b>

The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, as per management perceptions, there is no loss on collection of receivable on reporting date and hence no provision considered.

### ii. Liquidity Risk

Liquidity Risk is the risk that 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 to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

### Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Non-Derivative Financial Liabilities	Contractual Cash Flows	
	Carrying Amount 31st March, 2024	Carrying Amount 31st March, 2023
Unsecured Loans	-	-
Trade and Other Payables	7.12	2.34

### iii. Market Risk

Market Risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company’s income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables, Investments and short term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities in foreign currency. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

#### a) Currency Risk

The Company’s exchange risk arises from its foreign operations, foreign currency revenues in U.S. dollars. A significant portion of the Company’s revenues is in this foreign currency, while a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to this foreign currency, the Company’s revenues measured in rupees may decrease. The exchange rate between the Indian rupee and U. S. Dollars has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Management keeps watch on the currency markets on a periodic basis to foresee foreign currency risk. Consequently, the Company would use derivative financial instruments such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its forecasted cash flows and trade receivables. As on reporting date company did not had outstanding foreign exchange forward contracts nor any outstanding receivable in foreign currency.

#### b) Interest Rate Risk

Interest Rate Risk is the risk that the fair value or future Cash Flows of a financial instrument will fluctuate because of changes in market interest rates.

#### Exposure to Interest Rate Risk

The Company has no exposure to the risk of changes in market interest rates as Company does not have any interest bearing debt obligations. The loans granted by the company is with fixed interest rate.

#### c) Equity Risk

Equity Price Risk is related to the change in market reference price of the investments in equity securities. The fair value of some of the Company’s investments in Fair value through Other Comprehensive Income & FVTPL securities exposes the Company to equity price risks. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of equity securities as of March 31, 2024 was Rs. 460.77 lakhs [FY 2022-23- Rs. 460.77 lakhs]. A Sensex standard deviation of 5% [FY 2022-23 - 5%] would result in change in equity prices of securities held as of March 31, 2024 by Rs. 5.194 lakhs [FY 2022-23 - Rs. 23.039 lakhs].

### 32. Capital Management



The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

Particulars	31st March, 2024	31st March, 2023
Total Interest bearing liabilities	-	-
Less: Cash and Cash equivalents	151.07	5.93
Adjusted Net Debt	(151.07)	(5.93)
Total Equity	1249.12	860.95
Adjusted equity	1249.12	860.95
Adjusted net debt to adjusted equity ratio	Nil	Nil

### 33. Non-Current Asset Held for Sale

As per Ind AS - 105, An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Further one of conditions to classify is that the sale should be complete within 12 months from classification. There are some exception to such condition and extension is provided beyond one year to complete the sale. During previous year FY 2022-23, the management has decided to sell the asset which was part of PPE earlier and classified the Building & Furniture located at 603, Harekrishna Complex, Paldi, Ahmedabad on 01.04.2022 having carrying value of Rs. 1.58 lacs. During the year, management has made efforts to actively market the property and there is no change in plan to sale the asset. As the property is vacant for long duration of time, the local taxes and other regulatory requirements are still under process. There is change in management during FY 2022-23, therefore, management is actively trying to resolve the issue at earliest. Management is already in talks with one of the buyer regarding the sale and is expected to complete soon.

### 34. Details of Loan given, Investment made and Guarantee given covered u/s 186(4) of the Companies Act.

a) Loans given to related parties during the year

Name of Company/Firm	31st March, 2024		31st March, 2023	
	Loan given during the year	Outstanding Balance	Loan given during the year	Outstanding Balance
Beeline Broking Limited	-	2.67	-	-
Mona Broking LLP	-	-	25.00	-
Ripal Gevariya	90.00	-	-	-

- b) There are no investments made other than disclosed in Note 3.  
c) There are no guarantees given by the company during the year.

### 35. Details of relationship with Companies struck off under Section 248 of Companies Act, 2013 or Section 560 of the Companies Act, 1956:

Sr. No.	Name of Struck off Company	Nature of transaction	Balance as on 31st March, 2024	Balance as on 31st March, 2023	Relationship with company
1	Advance Caplease Private Limited	Advance loan given	-	2.99	Loanee

### 36. Other Amendments with respect to Schedule III

- 1) The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- 2) The company is not declared as wilful defaulter by any bank or financial Institution or other lender.
- 3) There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- 4) The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 5) The company have not traded or invested in Crypto currency or Virtual Currency during the year.
- 6) The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- 7) The company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 8) The company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

### 37. Approval of the Financial Statements

The Financial Statements of the Company has been approved in the board meeting held on 29th May, 2024.

### 38. Ratios

No.	Particulars	Numerator	Denominator	Basis	As at March 31, 2024	As at March 31, 2023	% Variance	Reason for variance
a)	Current Ratio	Current Assets	Current Liabilities	times	13.80	6.45	113.94%	Increase in ratio is mainly due to increase in advances given
b)	Debt-Equity Ratio	Debt	Equity	times	NA	NA		
c)	Debt Service Coverage Ratio	Earnings available for Debt Service	Debt Service	times	NA	NA		
d)	Return on Equity Ratio	Net profit after tax	Average Shareholders' Equity	%	34.74%	8.87%	291.79%	Increase is mainly due to Fair Value Gain on Equity Investments through Other Comprehensive Income
e)	Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	times	NA	NA	NA	
f)	Trade Receivables Turnover Ratio	Net Sales	Average Receivables	days	16	3	465.10%	Increase in days in receivables is due to recent increase in turnover.
g)	Trade Payables	Net	Average	days	NA	NA	NA	

	Turnover Ratio	Purchases	Payables					
h)	Net Capital Turnover Ratio	Net Sales	Working Capital	times	0.27	0.42	-35.32%	Decrease is due to loans & advances given
i)	Net Profit Ratio	Net Income	Net Sales	%	119.51%	46.92%	154.69%	Increase is mainly due to Fair Value Gain on Equity Investments through Other Comprehensive Income
j)	Return on Capital Employed	Earnings before Interest & Taxes	Total Equity + Borrowings - Deferred Tax assets	%	12.71%	18.26%	-30.38%	Minor decrease in ratio due to increased cost of sales
k)	Return on Investments	Income generated from invested funds	Interest from FDR / Average Invested funds in FD	%	3.56%	1.57%	-96.44%	Increase is due to FD created in Sweep A/c current A/c in bank and not as investment.

- 1) Total Debt represents Current Borrowings + Non-Current Borrowings, if any
- 2) Earnings available for debt service represents Profit Before Tax + Interest on Debt + Depreciation
- 1) Debt Service represents Interest on Debt + Scheduled principal repayment of non-current borrowings + Current maturity of lease liabilities.
- 2) Capital Employed represents Total Equity + Borrowings - Deferred Tax assets.
- 3) Income generated from invested funds represents Fixed deposits Interest Income.
- 4) Average Invested funds in Fixed deposits represents Average Fixed deposits.

As per our report of even date

**For, B. T. Vora & Co.**  
**Chartered Accountants**  
**Firm Registration No. 123652W**

**SD/-**  
**C. A. SHETH**  
**Partner**  
**Membership No.180506**  
**UDIN: 24180506BKHAFL9580**

**Place: Ahmedabad**  
**Date: 29th May, 2024**

For and on Behalf of the Board of Directors  
**INTERACTIVE FINANCIAL SERVICES LIMITED**

**SD/-**  
**Pradip Sandhir**  
**Managing Director & CFO**  
**DIN: 06946411**

**SD/-**  
**Jaini Jain**  
**Company Secretary**

**SD/-**  
**Mayur Parikh**  
**Director**  
**DIN: 00005646**

**Place: Ahmedabad**  
**Date: 29th May, 2024**

## **MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS**

The following discussion is intended to convey management’s perspective on our financial condition and results of operations for the period ended on January 31, 2024 and for the year ended on March 31, 2023, you should read the following discussion of our financial condition and results of operations together with our Audited financial statements included in the Draft letter of offer Prospectus. You should also read the section entitled “Risk Factors” beginning on page 17 of this Draft letter of offer, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and, is based on our Audited financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“Fiscal Year”) are to the twelve-month period ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to Interactive Financial Services Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “Audited Financial Statements” for period ended on March 31, 2024 and for the Financial Years 2022-23 included in this Draft letter of offer beginning on page 60 of this Draft Letter of Offer.

### **BUSINESS OVERVIEW**

Our Company is registered with SEBI having Registration No. INM000012856 dated September 27, 2021 as Category-I Merchant Banker. Our company is providing services in various areas of capital markets which include Merchant Banking Services, and Corporate Advisory Services under one roof that and well diversified for financial and advisory services in the areas of Capital Markets, Corporate Restructuring, Valuations and other Merchant Banking Services. Our Directors/Management are/is having more than 2 decades of experience in the capital markets. We are actively working in SME Listing, Valuation of companies for various transactions, migration to main board, takeovers and business advisory. In this segment, we are primarily focused on providing Merchant Banking services to Small and Medium Enterprises (SMEs).

Our Business is divided into following verticals:

- IPO/FPO Services
- Valuation services
- Take-over/open offer
- Merger & Acquisitions and Transaction Advisory Services
- Business Advisory Services

For more details, please refer chapter titled “Business Overview” on page 51 of this Draft letter of offer.

### **SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR:**

After the date of last financial period i.e. March 31, 2024, there is no any significant development occurred in the Company except mentioned below.

Our Company has acted as a Book Running Lead Manager in the Main Board IPO in the month of April, 2024.

### **KEY FACTORS AFFECTING THE RESULTS OF OPERATION:**

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

1. Changes in Laws and Regulations that apply to our Industry.
2. Changes in Fiscal, Economic or Political conditions in India
3. Company’s inability to retain the experienced staff
4. Failure to adapt the changing technology in our industry of operation may adversely affect our business
5. Failure to comply with regulations prescribed by authorities of the jurisdiction in which we operate
6. Competition with existing and new entrants

## OUR SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer Significant Accounting Policies, “Annexure IV” beginning under Chapter titled “Audited Financial Statements” beginning on page 60 of the Draft letter of offer.

### Financial Performance and Results of Key Operations for the period ended on March 31, 2024:

(₹ in lakhs)

Particulars	For the Year ended on		
	31.03.2024	31.03.2023	31.03.2022
<b>Income from continuing operations</b>			
Revenue from operations	306.65	155.77	45.42
<b>Total Revenue</b>	<b>306.65</b>	<b>155.77</b>	<b>45.42</b>
% total Revenue	88.20	55.94	25.62
<b>% of growth</b>	<b>96.86</b>	<b>242.95</b>	
Other Income	41.03	122.70	131.83
% total Revenue	11.80	44.06	74.38
<b>Total Income</b>	<b>347.68</b>	<b>278.47</b>	<b>177.25</b>
<b>% of growth</b>	<b>24.85</b>	<b>57.11</b>	<b>70.29</b>
<b>Expenses</b>			
Employee benefits expense	57.41	21.26	9.34
<b>% Increase/(Decrease)</b>	<b>170.04</b>	<b>127.62</b>	<b>34.58</b>
Finance Costs	1.51	1.58	0.05
Other expenses	131.38	102.05	46.87
<b>% Increase/(Decrease)</b>	<b>28.74</b>	<b>117.73</b>	<b>49.22</b>
Depreciation and amortisation expenses	0.63	0.16	0.30
<b>% Increase/(Decrease)</b>	<b>293.75</b>	<b>-46.67</b>	<b>0.00</b>
<b>Total Expenses</b>	<b>190.93</b>	<b>125.05</b>	<b>56.56</b>
% to total Income	54.92	44.91	31.91
<b>EBDITA</b>	<b>158.89</b>	<b>155.16</b>	<b>121.04</b>
<b>% to total Income</b>	<b>45.70</b>	<b>55.72</b>	<b>68.29</b>
<b>Profit before tax from continuing operations</b>	<b>156.75</b>	<b>153.42</b>	<b>120.69</b>
<b>Exceptional Item</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Total tax expense	95.81	33.32	20.58
<b>Profit after tax from continuing operations (A)</b>	<b>60.94</b>	<b>120.10</b>	<b>100.11</b>
<b>% to total Income</b>	<b>17.53</b>	<b>43.13</b>	<b>56.48</b>

### COMPARISON OF F.Y. 2023-24 WITH F.Y. 2022-23:

#### Income from Operations:

#### Revenue from operations:-

In the Financial Year 2023-24, the Company achieved a revenue from operation of ₹347.68 Lakhs, reflecting a significant growth of 24.85% compared to ₹278.47 Lakhs in the previous Financial Year 2022-23. This notable increase in income is primarily attributed to our successful foray into Main Board assignments, coupled with the completion of more SME IPOs compared to the previous year.

During FY 2023-24, the Company completed 7 SME IPOs, surpassing the 6 SME IPOs completed in FY 2022-23. Additionally, other key assignments also contributed to this income growth. Our strategic focus on expanding both the Main Board and SME IPO segments has played a crucial role in driving this financial performance.

**Other Income:-**

In the Financial Year 2023-24, the Company reported other income of ₹41.03 lakhs, marking a significant decrease of 66.56% compared to ₹122.70 lakhs in FY 2022-23. The primary reason for this sharp decline is the reduction in investment income, specifically short-term capital gains. In FY 2022-23, the Company achieved short-term capital gains of ₹93.03 lakhs, which significantly contributed to the higher other income that year. However, in FY 2023-24, the lower investment returns resulted in a corresponding decrease in other income. This reflects the impact of market conditions and changes in the Company's investment portfolio performance during the year.

**Expenditure:****Employee Benefits Expenses:**

In the Financial Year 2023-24, the Company's employee expenses amounted to ₹57.41 lakhs, a substantial increase of 170.04% compared to ₹21.26 lakhs in FY 2022-23. This sharp rise in employee costs is primarily due to an increase in salary and staff-related expenses, necessitated by the growing volume of business. As the company expanded its operations, especially with the undertaking of more assignments, additional workforce and enhanced compensation packages were required to manage the increased workload efficiently.

Moreover, managerial remuneration saw an increment of ₹8.75 lakhs in FY 2023-24 compared to the previous year, further contributing to the overall increase in employee expenses. This reflects the company's strategic focus on strengthening its team to support its expanding business operations.

**Finance Cost:**

In the Financial Year 2023-24, the Company's finance cost was ₹1.51 lakhs, reflecting a slight decrease of 4.43% compared to ₹1.58 lakhs in FY 2022-23. This reduction in finance cost is relatively minor. Despite the expansion in business operations, the Company has been able to manage its financial costs effectively, contributing to overall financial stability.

**Other Expenses:**

In the Financial Year 2023-24, the Company's other expenses increased to ₹131.38 lakhs, showing a rise of 28.74% compared to ₹102.05 lakhs in FY 2022-23. A Major Part of the other expenses is: In FY 2023-24, the Company wrote off advances amounting to ₹29.88 lakhs, which had no equivalent in FY 2022-23. This write-off represents amounts that were considered irrecoverable, leading to an additional expense in the current year. And the Company incurred brokerage and commission expenses of ₹30.60 lakhs in FY 2023-24, which was also absent in FY 2022-23. These expenses are likely related to business activities such as IPOs or other financial transactions that required brokerage services.

**Depreciation and Amortisation Expenses:**

In the Financial Year 2023-24, the Company recorded depreciation of ₹0.63 lakhs, a significant increase of 293.75% compared to ₹0.16 lakhs in FY 2022-23. This sharp rise in depreciation expense is attributed to the addition of new assets, specifically computers, peripherals, and furniture & fixtures. These capital investments in FY 2023-24 led to higher depreciation costs, reflecting the Company's ongoing efforts to enhance its infrastructure and support the expansion of its business operations.

**EBDITA:**

For the Financial Year 2023-24, the Company achieved an EBITDA of ₹158.89 lakhs, compared to ₹155.16 lakhs in FY 2022-23. This increase is aligned with the overall 24.85% growth in the Company's total income for FY 2023-24.

However, the EBITDA margin decreased to 45.70% of total income in FY 2023-24, compared to 55.72% in FY 2022-23. The decline in the EBITDA margin indicates that while the Company's absolute EBITDA increased, it was

relatively less efficient in converting revenue into operational profit. This reduction in the margin may be attributed to higher operational expenses, including employee costs and other expenses, which have impacted the profitability relative to the revenue growth.

#### **Profit after Tax (PAT):**

In the Financial Year 2023-24, the Company reported a PAT of ₹60.94 lakhs, a decrease from ₹120.10 lakhs in FY 2022-23. This represents a significant decline in PAT, reflecting a drop in profitability.

The PAT as a percentage of total revenue was 17.53% in FY 2023-24, compared to 43.13% in FY 2022-23. This decrease in the PAT margin indicates that while total revenue increased, the Company's profitability as a percentage of revenue has decreased substantially. Factors contributing to this decline could include higher operational costs, increased other expenses, and reduced investment income, which have impacted the overall profitability.

#### **COMPARISON OF F.Y. 2022-23 WITH F.Y. 2021-22:**

##### **Income from Operations:**

In the F.Y. 2022-23, the Company's total Income was ₹ 278.47 Lakhs, which is increased by 57.11 % in compare to total Income from operations of ₹177.25 Lakhs in F.Y. 2021-22. In the Financial Year 2022-23, the Company achieved a total income of ₹278.47 lakhs, marking a significant increase of 57.11% compared to ₹177.25 lakhs in FY 2021-22. This growth reflects a strong performance and expansion in the Company's operations, contributing to a notable rise in overall income. The increase in total income highlights the Company's successful strategies and efforts in enhancing its revenue streams and business activities during the period.

During FY 2022-23, the Company completed 6 SME IPOs, surpassing the 01 SME IPOs completed in FY 2021-22, the first year of operation. Additionally, other key assignments also contributed to this income growth. Our strategic focus on expanding both the Main Board and SME IPO segments has played a crucial role in driving this financial performance.

##### **Other Income:**

In the Financial Year 2022-23, the Company reported other income of ₹122.70 lakhs, marking a minor decrease of 6.93% compared to ₹131.83 lakhs in FY 2021-22. In FY 2022-23, the Company achieved short-term capital gains of ₹93.03 lakhs, however, in FY 2021-22, the Company earned ₹102.67 lakhs from the long term capital gain from Equity and ₹14.04 from the long term capital gain from Mutual Funds.

##### **Expenditure:**

##### **Employee Benefits Expenses:**

The Employee expenses for F.Y. 2022-23 was ₹ 21.26 Lakhs against the expenses of ₹ 9.34 Lakhs in F.Y. 2021-22 showing increase by 127.62%. The increase in the employee cost is increase of the salary and stipend expenses to cope up with the increase in business volume. The managerial remuneration is also Given in FY 2022-23 of the amount of Rs. 1.75 lac which was nil in FY 2021-22.

##### **Finance Cost:**

In the Financial Year 2022-23, the Company's finance cost increased to ₹1.58 lakhs, compared to just ₹0.05 lakhs in FY 2021-22. This represents a substantial increase of 3060.00%. The sharp rise in finance cost is primarily due to interest payments incurred from the non-payment of advance tax in FY 2022-23. The additional cost was associated with penalties or interest charged for delaying advance tax payments, which significantly contributed to the higher finance cost for the year.

**Other Expenses:**

In the Financial Year 2022-23, the Company's other expenses increased to ₹102.05 lakhs, a substantial rise of 117.73% compared to ₹46.87 lakhs in FY 2021-22. This increase is primarily attributed to two major components:

**Professional & Consultancy Fees:** The Company incurred professional and consultancy fees amounting to ₹69.10 lakhs in FY 2022-23, compared to ₹15.86 lakhs in FY 2021-22. This significant rise indicates higher spending on external expertise, likely for advisory services, legal consultations, or specialized financial services related to business expansion or complex transactions.

**Market Research Expenses:** The Company also spent ₹11.82 lakhs on market research in FY 2022-23, whereas there were no such expenses in FY 2021-22. This investment in market research reflects the Company's efforts to gain insights into market trends, customer preferences, and competitive analysis, which is crucial for strategic planning and decision-making.

These increased expenditures in professional fees and market research contributed significantly to the overall rise in other expenses for the financial year.

**Depreciation and Amortisation Expenses:**

In the Financial Year 2022-23, the Company's depreciation expense was ₹0.16 lakhs, representing a decrease of 46.67% compared to ₹0.30 lakhs in FY 2021-22.

The reduction in depreciation for FY 2022-23 is primarily due to the transfer of the office building, which was classified as "not for use." This transfer resulted in the removal of the building from the depreciable assets, leading to a lower overall depreciation expense for the year. This accounting adjustment reflects the shift in the asset's status, impacting the depreciation calculation.

**EBDITA:**

In the Financial Year 2022-23, the Company reported an EBITDA of ₹155.16 lakhs, an increase from ₹121.04 lakhs in FY 2021-22. This growth in EBITDA is attributed to a significant 57.11% rise in the Company's total income during FY 2022-23 compared to FY 2021-22.

However, the EBITDA margin decreased to 55.72% of total income in FY 2022-23, compared to 68.29% in FY 2021-22. This decline in the EBITDA margin indicates that while the absolute EBITDA increased due to higher revenue, the Company's efficiency in converting revenue into operational profit decreased. This reduction in margin may be due to higher operational expenses or changes in cost structure, which impacted the proportion of revenue converted into EBITDA.

**Profit after Tax (PAT):**

In the Financial Year 2022-23, the Company's PAT was ₹120.10 lakhs, compared to ₹100.11 lakhs in FY 2021-22. This represents an increase in PAT, reflecting improved profitability. However, the PAT as a percentage of total revenue decreased to 43.13% in FY 2022-23, compared to 56.48% in FY 2021-22. This decline in PAT margin indicates that, despite the increase in absolute PAT, the proportion of revenue converted into net profit decreased. The reduced margin may be attributed to increased operational or other expenses, which affected the overall profitability relative to revenue.

**CASH FLOW (₹ in lakhs)**

Particulars	March 31, 2024	March 31, 2023	March 31, 2022
Net cash flow from Operating Activities	44.32	39.57	12.37
Net cash flow from Investing Activities	14.88	18.09	(16.85)
Net Cash Flow from Financing Activities	(1.51)	(1.58)	(0.05)



**1. Unusual or infrequent events or transactions.**

There have been no unusual or infrequent events or transactions that have taken place during the last three years.

**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 17 of this Draft letter of Offer. To our knowledge, except as we have described in this Draft letter of Offer, there are no known factors which we expect to bring about significant economic changes.

**3. Income and Sales on account of major product/main activities.**

Income and sales of our Company on account of major activities derives from Merchant Banking activities.

**4. Whether the company has followed any unorthodox procedure for recording sales and revenues.**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

**5. 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" beginning on page 17 in this Draft 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.

**6. 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.**

Increases in revenues are by and large linked to increases in volume of business.

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

The Company is in the business of Merchant Banking activities. the relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page no 45 of this Draft letter of Offer

**8. Status of any publicly announced new products or business segment.**

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

**9. The extent to which business is seasonal.**

Our Company's business is not seasonal,

**10. Any significant dependence on a single or few suppliers or customers.**

The Company is not dependent on few suppliers or customers for its requirement.

**11. Competitive conditions.**

Competitive conditions are as described under the Chapters titled "Industry Overview" and "Business Overview" beginning on pages 45 and 51, respectively of this Draft letter of Offer.

## MARKET PRICE INFORMATION

The Equity Shares of our Company are listed on the BSE. As our Equity Shares are listed only on the BSE, stock market data for our Equity Shares has been given for 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.

### Yearly Stock Market Quotation at BSE

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:

Year ended on March 31	High (in Rs)	Date of High#	No. of Shares traded on date of high	Low (in Rs)	Date of Low#	No. of Shares traded on date of low	Average price for the year (in Rs.) *
2024	25.06	February 01, 2024	4,649	12.4	April 06, 2023	3,550	18.06
2023	15.45	February 24, 2023	1,166	5.87	June 20, 2022	1	9.23
2022	15.21	January 17, 2022	20,439	4.65	April 20, 2021	4,442	8.46

\*Average price for the year is based on WAP available on the BSE.

# Dates were taken on the basis of highest Price of shares.

(Source: [www.bseindia.com](http://www.bseindia.com))

### Monthly Stock Market Quotation at BSE

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

Month	High (in Rs)	Date of High#	No. of Shares traded on date of high	Low (in Rs)	Date of Low#	No. of Shares traded on date of low	Average price for the month (in Rs.) *
August 2024	54.94	August 30, 2024	2,945	23.06	August 06, 2024	469	32.81
July 2024	25.16	July 03, 2024	10,437	22.22	July 19, 2024	513	24.11
June 2024	23.99	June 28, 2024	2,130	20.12	June 12, 2024	5,313	22.16
May 2024	24.70	May 18, 2024	112	20.07	May 30, 2024	3,648	22.76
April 2024	25.80	April 10, 2024	5,741	21.17	April 04, 2024	4,017	23.34
March 2024	24.00	March 27, 2024	4	20.15	March 06, 2024	24,206	22.17

\*Average price for the month is based on WAP available on the BSE.

# Dates were taken on the basis of highest traded number of shares.

(Source: [www.bseindia.com](http://www.bseindia.com))

### Weekly Stock Market Quotation at BSE

Week end closing prices of the Equity Shares for the last four weeks on the BSE are as below:

Week Ended on	Closing Price (in Rs.)	High (in Rs.)	Date of High	Low (in Rs.)	Date of Low
August 30, 2024	54.94	54.94	August 30, 2024	45.21	August 26, 2024

September 06, 2024	50.00	57.68	September 02, 2024	50.00	September 06, 2024
September 13, 2024	45.20	49.00	September 09, 2024	45.20	September 13, 2024
September 20, 2024	40.95	44.30	September 16, 2024	40.95	September 20, 2024

The closing price of the Equity Shares as on August 28, 2024 was Rs. 49.84 on the BSE, the trading day immediately preceding the day on which Board of Directors approved the Issue.

The closing price of the Equity Shares as on September 25, 2024 was Rs. 38.56 on the BSE Limited.

## **SECTION VII – LEGAL AND OTHER REGULATORY INFORMATION**

### **OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

Except as stated in this section, there are no outstanding (I) criminal or Civil proceedings (II) actions taken by statutory or regulatory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five (5) Financial Years, including outstanding action, (IV) claims related to direct and indirect taxes in a consolidated manner, (V) details of any other pending material litigation which are determined to be material as per the policy on Identification of Material Creditors and Material Litigations adopted by our Board (“Materiality Policy”), in each case involving our Company and Directors (the “Relevant Parties”)

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on August 29, 2024 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

(a) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 5.00 Lakhs shall be considered material; or;

(b) the monetary liability is not quantifiable, however, the outcome of any such pending proceedings may have a bearing on the business, operations, performance, prospects or reputation of our Company.

Unless otherwise stated to the contrary, the information provided is as of the date of this Draft Letter of Offer.

**PART I** – Our Company is not involved in any legal proceedings which are in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities, issues of moral turpitude or criminal liability on the part of our Company, material violations of statutory regulations by our Company, economic offences where proceedings have been initiated against our Company, any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position and other litigation involving our Company, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined in this chapter) or is otherwise material in terms of the Materiality Policy.

### **PART II – LITIGATIONS INVOLVING OUR COMPANY**

- 1) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company: Nil**
- 2) Proceedings involving material violations of statutory regulations by our Company: Nil**
- 3) Economic offences where proceedings have been initiated against our Company: Nil**
- 4) Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company: Nil.**

### **WILFUL DEFAULTER OR FRAUDULENT BORROWERS**

Our Directors have not been identified as a wilful defaulter or fraudulent Borrowers in terms of the SEBI ICDR Regulations as on the date of this Draft Letter of Offer.

## **GOVERNMENT AND OTHER STATUTORY APPROVALS**

In view of the licenses, permissions, approvals, no-objections, certifications, registrations, (collectively “Approvals”) from the Government of India and various statutory, regulatory, governmental authorities listed below, our Company has received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business activities (as applicable on date of this Letter of offer). No further approvals are required for carrying on our present business. It must be distinctly understood that in granting these Approvals, the Government of India and other authority 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.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “Objects of the Issue” at page 37 of this Draft Letter of Offer.

## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **AUTHORITY FOR THE ISSUE**

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 29, 2024 in pursuance of Section 62(1)(a) of the Companies Act, 2013 approved by Shareholders in the 30<sup>th</sup> Annual General meeting dated September 21, 2024 in accordance with the Articles of Association of Company.

Board of Directors in its meeting held on August 29, 2024 and Shareholders of our Company in the meeting held on September 21, 2024 has resolved to issue up to [●] Equity Shares to the eligible Equity Shareholders on Right Issue Basis. Issue Price is Rs. [●] per Equity Share (including premium of Rs. [●] per Equity Share), in the ratio of [●] Equity Shares for every [●] Equity Share as held by Public Shareholders on the Record Date. The Issue Price Rs. [●] per Equity Share has been arrived at prior to determination of the Record Date.

The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated September 26, 2024.

The Letter of Offer has been approved by our Board pursuant to its resolution dated [●].

We have received In- Principle Approval from BSE vide their letter dated [●] to use the name of BSE in the Letter of Offer for listing of our Right equity Shares on Platform of BSE. BSE Ltd is the Designated Stock Exchange.

### **PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES**

Our Company, and Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Letter of Offer.

Further, our Directors are not promoter or director of any other Company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoters are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

### **ASSOCIATION OF OUR DIRECTORS WITH SECURITIES MARKET**

We confirm that none of our Director(s) are associated with the securities market in any manner except for trading on day to day basis for the purpose of investment except Mr. Pradip Sandhir. Mr. Pradip Sandhir, Director of our Company is also director in the Beeline Broking Limited, a Company registered with SEBI under Merchant Banking Regulation as well as Broking Firm.

### **CONFIRMATION**

1. Our Company, is in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent applicable to each of them as on the date of the Draft Letter of Offer.
2. Our Directors are not in any manner associated with the securities market and no action has been taken by the SEBI against any of the Directors or any entity with which our Directors are associated as promoters or directors in past (5 five) years.

### **DECLARATION AS WILFUL DEFAULTERS & FUGITIVE ECONOMIC OFFENDER**

Neither our Company or, our Directors, have been identified as a willful defaulter or a fugitive economic offender by the RBI or other government authorities.

## **ELIGIBILITY FOR THE ISSUE**

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company undertakes to make an application to the Designated Stock Exchange i.e. BSE for listing of the Rights Equity Shares to be issued pursuant to this Rights Issue.

## **COMPLIANCE WITH SEBI ICDR REGULATIONS**

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for “*In-Principle Approvals*” for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

### **Compliance with Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in Compliance with the Provisions Specified in Clause (1) Of Part B of Schedule VI of The SEBI ICDR Regulations

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI listing regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the Designated Stock Exchange;
2. The reports, statements and information referred to above are available on the websites of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

## **SEBI DISCLAIMER CLAUSE**

The present Issue being of less than Rs. 5,000 Lakhs, our Company shall submit the copy of the Letter of Offer with SEBI for information and dissemination on the website of SEBI for informative purposes as a gesture of good governance.

## **DISCLAIMER CLAUSE FROM OUR COMPANY**

Our Company accept no responsibility for statements made other than in this Draft 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 this Issue will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, of our company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this issue and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

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

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

#### **DISCLAIMER IN RESPECT OF JURISDICTION**

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations there under. This issue is being made in India to existing shareholders of company as on record date and persons resident in India.

This Draft Letter of Offer does not, however, constitute an invitation to subscribe to Right Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Letter of Offer comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Ahmedabad only and Draft Letter of Offer may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

#### **DISCLAIMER CLAUSE OF THE BSE LIMITED**

As required, a copy of this Draft Letter of Offer has been submitted to BSE Limited. The Disclaimer Clause as intimated by the BSE Limited to us, post scrutiny of this Draft Letter of Offer will be produced by our Company in the Letter of Offer.

#### **DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Rights entitlements and Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

**THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.**



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

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

### **Designated Stock Exchange**

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

### **LISTING**

The Right Equity Shares of our Company are proposed to be listed on Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of Right equity shares on Platform of BSE Limited.

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.

If the permission to deal in and for an official quotation of the Right Equity Shares on the Platform of BSE is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the Letter of Offer. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company, selling shareholders and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

### **IMPERSONATION**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) 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 of Companies Act, 2013”

The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

## **SELLING RESTRICTIONS**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Common Application Form and the Rights Entitlement Letter (“Issue Materials”) and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials 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 Issue Materials only to Eligible Equity Shareholders who have provided an Indian address to our Company/ Registrar.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Issue Material or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If the Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in the Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of the Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such

information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

## **CONSENTS**

The written consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Review Auditor, Bankers' to the Company, to the Issue, Registrar to the Issue, and Banker's to Issue and Sponsor Bank to act in their respective capacities have been obtained.

Above consents will be filed along with a copy of the Draft Letter of Offer with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of filing of the Draft Letter of Offer for registration with the ROC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s. B. T. Vora & Co, Chartered Accountants., Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report on Audited Financial Statements dated September 02, 2024 and the Statement of Tax Benefits dated September 02, 2024, which may be available to the Company and its shareholders, included in this Draft Letter of Offer in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Draft Letter of Offer with ROC.

Our Company has received written consent dated 22<sup>nd</sup> August, 2024 from our Statutory Auditor, to include their name in this Draft Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the statement of Tax Benefits dated September 02, 2024 in the form and context in which it appears in this Draft Letter of Offer.

Further, such consents and reports have not been withdrawn up to the time of filing of this Draft Letter of Offer.

## **EXPERT OPINION**

Except for Peer Review Auditors' reports on the financial statements issued by M/s. B.T. Vora & Co, Chartered Accountants and Statement of Tax Benefits issued by M/s. B.T. Vora & Co., Chartered Accountants; we have not obtained any other expert opinions.

## **PERFORMANCE VIS-À-VIS objects;**

Our Company have not made any previous rights and / or public issues during the last 5 years immediately preceding the date of this Draft Letter of Offer. There have been no instances in the past, wherein our Company has failed to achieve the objects in its previous issues.

## **FILING**

This Draft Letter of Offer is being filed with the Stock Exchange i.e., BSE Limited as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI for record purposes only.

## **MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights Our Registrar and Share Transfer Agent.

All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

All grievances relating to the Offer may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount blocked on application and designated branch or the collection centre of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

#### **DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY**

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web-based complaints redress system "SCORES 2.0". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Company has also appointed Jaini Jain as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

**Company Secretary and Compliance Officer:**

**Jaini Jain**

508, Fifth Floor, Priviera, Nehru Nagar, Manekbag, Ahmedabad, Gujarat, India-380015

**Telephone:** 079-4908 8019

**E-mail:** [compliance@ifinservices.in](mailto:compliance@ifinservices.in)

**Website:** [www.ifinservices.in](http://www.ifinservices.in)

**Registrar to the Issue:**

**Bigshare Services Private Limited.**

**Address:** Office No. S6-2, 6<sup>TH</sup> Floor, Pinnacle Business Park Next to Ahura Center , Mahakali Caves Road, Andheri East, Mumbai- 400093

**Email:** [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Mr. Suraj Gupta

**SEBI Registration Number:** INR000001385

## SECTION VIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up in accordance with the instructions provided therein and in the Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors (including renounees) proposing to apply in this Issue can apply only through ASBA facility as disclosed in this Draft Letter of Offer.*

*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 no. 129 of this Draft Letter of Offer. Investors are requested to note that application in this issue can only be made through ASBA.*

*The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Securities pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including renounee) shall make an application for a rights issue only through ASBA facility or any other mode which may be notified by SEBI.*

### OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, 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.

#### **Important:**

#### **I. Dispatch and availability of Issue materials:**

In accordance with the SEBI ICDR Regulations, the ASBA Circular and SEBI Rights Issue Circulars, our Company will send/ dispatch through email or registered post or speed post at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue

material (“**Issue Materials**”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the 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 the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

- (i) Our Company at [www.ifinservices.in](http://www.ifinservices.in);
- (ii) The Registrar to Issue at [www.bigshareonline.com](http://www.bigshareonline.com);
- (iii) The Stock Exchange at [www.bseindia.com](http://www.bseindia.com);

Eligible Equity Shareholders who have not received the CAF may apply, along with the requisite application money, by using the CAF available on the websites above, or on plain paper, with the same details as per the CAF available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., [www.ifinservices.in](http://www.ifinservices.in)).

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible.

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

Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not 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 Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

The Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

## **II. Process of making an Application in this Issue:**

**In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "Procedure for Application through the ASBA Process" on page no. 126 of this Draft 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 "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page 137.*

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

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein:

- (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.  
or
- (ii) the requisite internet banking.



**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 “Terms of the Issue - Grounds for Technical Rejection” on page 132. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that 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 “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 127.

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

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

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

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

### **Making of an Application Through the ASBA Process**

An investor, 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. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise 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.

### **Self-Certified Syndicate Banks**

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>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own

account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

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

**Do's for Investors applying through ASBA:**

- a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights 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 Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights 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 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.
- h) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

**Don'ts for Investors applying through ASBA:**

- a. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), and a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- d. Do not submit Application Form using third party ASBA account.
- e. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

**Making an Application 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. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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

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

1. Name of our Company, being Interactive Financial Services limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Registered Folio Number/DP and Client ID No.;
4. Number of Equity Shares held as on Record Date;
5. Allotment option – only dematerialised form;
6. Number of Rights Equity Shares entitled to;
7. Number of Rights Equity Shares applied for within the Rights Entitlements;
8. Number of additional Rights Equity Shares applied for, if any;
9. Total number of Rights Equity Shares applied for;
10. Total Application Money paid at the rate of [●] per Rights Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. 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;
13. 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 Rights Equity Shares applied for pursuant to this Issue;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("Regulation S") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.*

*I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, or any other person acting on behalf of the Company will accept*

*subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.*

*I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.*

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.*

*I/ We understand and agree that the Rights Entitlements 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 acknowledge that we, Our 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, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at [www.bigshareonline.com](http://www.bigshareonline.com).

Our Company and the Registrar shall not be responsible if the Applications are not uploaded SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

#### **Making of Application by Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident 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.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or us Company, Eligible Equity Shareholders should visit <http://www.ifinservices.in/about.html>.

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, 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 email, 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 “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 127.

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**

Investors 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 finalized 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 “Terms of the Issue - Basis of Allotment” beginning on page 146.

**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.**

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation/ Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation/ Off Market Renunciation, please refer to the heading titled “Procedure for Application through the ASBA process” on page 126 of this Draft Letter of Offer

### **Additional General instructions for Investors**

- a) Please read this Draft 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 Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 127.
- 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 Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.
- g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar 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 Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- j) Investors should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) while submitting the Application. Such DP ID and Client ID/ Folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, 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) Investors 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 investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- 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 not matching 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 the Company, Registrar, Escrow Collection Banks (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 an Investor submits Application Forms along with a plain paper Application.

- i. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- k. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l. Application Forms which are not submitted by the Investors within the time periods prescribed in the application Form and this Draft Letter of Offer.
- m. Physical Application Forms not duly signed by the sole or joint Investors.
- n. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts.
- o. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (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 Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- s. Payment from third party bank accounts.

## **PROCEDURE FOR APPLICATION**

### **How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], see Section Terms of the Issue- “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” on page 129.

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.



## Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date i.e. [●]. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email 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.

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

- a. Our Company at [www.ifinservices.in](http://www.ifinservices.in)
- b. the Registrar to the Issue at [www.bigshareonline.com](http://www.bigshareonline.com)
- c. the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com); and

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., [www.bigshareonline.com](http://www.bigshareonline.com)) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., [www.ifinservices.in](http://www.ifinservices.in)). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. [●] and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity 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 Applications made with payment using third party bank accounts are liable to be rejected.

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

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs. Incorrect depository account details or PAN number could lead to rejection of the Application. For details

see “Grounds for Technical Rejection” on page 132. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “Application on Plain Paper under ASBA process” on page 127.

### **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. 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.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications on ASBA, such Applications shall be treated as multiple applications and are liable to be rejected.

### **Last date for Application**

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, **subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).**

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, **as provided under the heading “Terms of the Issue- Basis of Allotment” on page 146.**

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, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

### **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 incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

#### **Procedure for Applications by Mutual Funds**

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

#### **Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)**

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### **Minimum subscription**

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90.00% of the Issue our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

#### **Withdrawal of Application**

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, may withdraw their application post the Issue Closing Date.

#### **Disposal of Application and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASB. Wherever an application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

#### **Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date i.e. [●] or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchanges will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchanges where the Equity Shares may be proposed to be listed.

**For further instructions, please read the Application Form carefully.**

### **III. Credit of Rights Entitlements in dematerialized account**

#### ***Rights Entitlements***

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized 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.bigshareonline.com](http://www.bigshareonline.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.ifinservices.in](http://www.ifinservices.in)).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN all remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e.,

www.bigshareonline.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●] Demat Escrow Account”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar account is active to facilitate the aforementioned transfer.

#### **Authority for the Issue**

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on *dated August 29, 2024 under section 62(1)(a) of the Companies Act, 2013 subject to approval of Shareholders in the Annual General meeting dated [●] in accordance with the Articles of Association of Company.*

The Board in their meeting held on [●] have determined the Issue Price at [●] per Equity Share and the Rights Entitlement as [●]. Rights Equity Share for every [●].) fully paid-up Equity Shares held on the Record Date i.e. [●].

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 [●].

#### **Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date i.e. [●], decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### **IV. Renunciation A Trading of Rights Entitlement**

#### **Renounees**

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounce (s) as well.

#### **Renunciation of Rights Entitlements**

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to Issue Closing Date, will not be able to renounce their Right Entitlements.

### **Procedure for Renunciation of Rights Entitlements**

The Investors 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; or (b) through an off -market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. **Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.**

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### **1. On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement. The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

## **2. Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

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

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

## **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.

### **Terms of Payment**

[●] (Rupees [●]) per Rights Equity Share issued in [●] Rights Entitlement, (i.e., [●]-) per Rights Equity Share, including a premium of [●] per Rights Share).

In case of Application through ASBA facility, the Investor agrees to block the Application Money with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the Application Money, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar 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 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.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the Application Form.

### **Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Mode of payment for Resident Investors**

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

### **Mode of payment for Non-Resident Investors**

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

## **VI. Basis for this Issue and Terms of Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “**The Issue**” beginning on page 26.

### **Face Value**

Each Rights Equity Share will have the face value of Re 10.00/- per share.



## **Issue Price**

The Rights Equity Share is being offered at a price of [●] per Rights Equity Share (including a premium of Rs. [●] per Rights Equity Share) in this Issue. On Application, Investors will have to pay [●] per Rights Equity Share.

The Issue Price for Rights Equity Shares has been arrived at by our Company at its board meeting held on [●] and has been decided prior to the determination of the Record Date.

## **Rights Entitlements Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

## **Fractional Entitlements**

The Right Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] Right Equity Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in the multiple of [●] 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 [●] Equity Shares, such Equity Shareholder will be entitled to [●] Right Equity Shares and will also be given a preferential consideration for the Allotment of [●] 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 [●] 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 Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the 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 issue by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank pari passu with the existing Equity Shares, in all respects including dividends.

## **Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue**

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principal approval from the BSE through letter bearing reference number [●] dated [●]. Our Company will apply to

the Stock Exchange for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid -up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 539692) under the ISIN:INE064T01018. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within seven days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within eight 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 eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

#### **Subscription to this Issue by our Promoters and our Promoter Group**

This clause is not applicable.

#### **Rights of Holders of Rights Equity Shares of our Company**

Subject to applicable laws, Rights Equity Shareholders shall have the following rights in proportion to amount paid-up on the Rights Equity Shares:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- c) The right to receive surplus on liquidation;
- d) The right to free transferability of Rights Equity Shares;
- e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and
- 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.

**Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.**

### **VII. GENERAL TERMS OF THE ISSUE**

#### **Market Lot**

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

### **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

### **Arrangements for Disposal of Odd Lots**

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

### **Notices**

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("Issue Materials") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the 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 the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Mumbai, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

## **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, 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 [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com). It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the 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 the RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at [rightsissue@bigshareonline.com](mailto:rightsissue@bigshareonline.com).

### **Allotment of the Rights Equity Shares in Dematerialized Form**

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 147.

### **Payment Schedule of Rights Equity Shares**

The Issue Price of [●] per Rights Equity Share (including premium of [●] per Rights Equity Share) shall be payable on application.

## VIII. Issue Schedule

<b>LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS</b>	[●]
<b>ISSUE OPENING DATE</b>	[●]
<b>LAST DATE FOR ON MARKET RENUNCIATION*</b>	[●]
<b>ISSUE CLOSING DATE#</b>	[●]
<b>FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)</b>	[●]
<b>DATE OF ALLOTMENT (ON OR ABOUT)</b>	[●]
<b>DATE OF CREDIT (ON OR ABOUT)</b>	[●]
<b>DATE OF LISTING (ON OR ABOUT)</b>	[●]

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

# Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of 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., Tuesday, March 16, 2021 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. [●].

**For details, see “General Information - Issue Schedule” on page 30.**

## IX. Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renounee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b. Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (b) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment
- c. Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d. Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis

in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- e. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'. Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by us Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

#### **X. Allotment Advice or Refund/ Unblocking of ASBA Accounts**

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email 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, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

#### **XI. Payment of Refund**

##### **Mode of making refunds**

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

- a. Unblocking amounts blocked using ASBA facility.

- b. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- c. National Electronic Fund Transfer (“NEFT”) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“IFSC Code”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine-digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
- d. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
- e. RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.
- f. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
- g. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

#### **Refund payment to non-residents**

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

#### **XII. Allotment Advice or Demat Credit of Securities**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **Receipt of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE, 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 PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated July 07, 2015 with NSDL and an agreement dated June 24, 2015 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email 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 Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.



### **XIII. Impersonation**

**As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:**

**“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹1 million 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 upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 1 million or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

### **XIV. Utilization 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) shall be disclosed under an appropriate separate head in the balance of our Company indicating the purpose for which such monies had been utilized; and
- c. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

### **XV. Undertakings by our Company**

**Our Company undertakes the following:**

- 1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.
- 3) 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.
- 4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- 6) Adequate arrangements shall be made to collect all ASBA Applications.
- 7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

### **XVI. Investor Grievances, Communication and Important Links**

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number 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 “Interactive Financial Services Limited – Rights Issue” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

<b>Name</b>	Bigshare Services Private Limited
<b>Address</b>	Office No S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali caves Road, Andheri (East) Mumbai – 400093
<b>Tel No.</b>	+91-022-62638200
<b>Email Id</b>	<a href="mailto:rightsissue@bigshareonline.com">rightsissue@bigshareonline.com</a>
<b>Investor Grievance Email</b>	<a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a>
<b>Contact Person</b>	Mr. Suraj Gupta
<b>Website</b>	<a href="http://www.bigshareonline.com">www.bigshareonline.com</a>
<b>SEBI Registration No.</b>	INR000001385
<b>CIN</b>	U99999MH1994PTC076534

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar ([www.bigshareonline.com](http://www.bigshareonline.com)). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91-022-62638200

This Issue will remain open for a minimum 7 days. However, our Board or 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). This Issue will remain open for a minimum 7 days. However, our Board or 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).

## 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 Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 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. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs through the FDI Policy (defined below).

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued consolidated FDI Policy Circular of 2020 ("FDI Policy 2020"), effective from October 15, 2020, which consolidates and supersedes all previous press notes, press releases and clarifications on FDI Policy issued by the DIPP that were in force. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy 2020 will be valid until the DIPP issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Policy, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of our Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (OCBs) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

## **RESTRICTIONS ON PURCHASES AND RESALES**

### **General Eligibility and Restrictions**

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Draft Letter of Offer will be filed with SEBI (for Information and dissemination purpose) and the Stock Exchanges.

The Rights Entitlements and Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States (other than to persons in the United States who are U.S. QIBs and QPs).

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Draft Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or the Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

### **UNITED STATES**

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Draft Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Draft Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Draft Letter of Offer and its accompanying documents directly from our Company or the Registrar.

### **Representations, Warranties and Agreements by Purchasers**

Each person outside of the United States by accepting the delivery of this Draft Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of

such account (such person being the “purchaser”, which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

- 1) The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulations.
- 2) No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any “directed selling efforts” in the United States (as such term is defined in Regulations).
- 3) The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
- 4) The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
- 5) The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
- 6) The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
- 7) The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of the Letter of Offer with SEBI (for information and dissemination purpose) and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests there in, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Draft Letter of Offer under the heading “Restrictions on Purchases and Resales”.
- 8) The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
- 9) Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization

or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.

Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Draft Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including, without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company or its affiliates (including any research reports) (other than, with respect to our Company and any information contained in this Draft Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

- 10) Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "Exchange Information"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates, has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
- 11) The purchaser understands that the Exchange Information and this Draft Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Draft Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Draft Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
- 12) The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Draft Letter of Offer and the Exchange Information (collectively, the "Information"), has been prepared solely by our Company;
- 13) The purchaser will not hold our Company or their affiliates responsible for any misstatements in or omissions to the Information or in any other written or oral information.

## **SECTION IX - STATUTORY & 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.

## SECTION X – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days and also shall be available on the website of the company at [www.ifinservices.in](http://www.ifinservices.in) from the date of the Draft Letter of Offer until the Issue Closing Date.

#### A. Material Contracts for the Issue

1. Registrar Agreement dated September 03, 2024 entered into between our Company and the Registrar to the Issue.
2. Escrow Agreement dated [●] amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

#### B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated October 24, 1994.
3. Copy of Information Memorandum of the Company dated February 16, 2016 for its Direct Listing on BSE in the year 2016.
4. Copy of Letter of Offer dated [●], for the rights issue of our Company.
5. Resolution of the Board of Directors dated August 29, 2024, and Shareholders Resolution in the Annual General Meeting dated September 21, 2024 in accordance with the Articles of Association of Company.
6. Resolution of the Board of the Directors dated September 26, 2024, approving and adopting this Draft Letter of Offer.
7. Resolution of the Board of the Directors dated [●], approving and adopting the Letter of Offer.
8. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue, Bankers to the company, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
9. Copies of Annual Reports of our Company for Fiscals 2024, 2023, 2022, 2021 & 2020.
10. Statement of Tax Benefits dated September 02, 2024 from the Statutory Auditor included in this Draft Letter of Offer.
11. Tripartite Agreement dated June 24, 2015 between our Company, CDSL and the Registrar to the Issue.
12. Tripartite Agreement dated July 07, 2015 between our Company, NSDL and the Registrar to the Issue.
13. In-principle approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.



**SECTION XI**  
**DECLARATION**

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Draft Letter of Offer are true and correct.

**Signed by the Directors of the Company:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Pradip Ramprasad Sandhir	Managing Director & Chief Financial Officer	Sd/-
Mayur Rajendrabhai Parikh	Director	Sd/-
Rutu Milindbhai Sanghvi	Independent Director	Sd/-
Raghav Jobanputra	Independent Director	Sd/-
Monil Shah	Independent Director	Sd/-

**Signed by:**

<b>Name</b>	<b>Designation</b>	<b>Signature</b>
Jaini Jain	Company Secretary and Compliance Officer	Sd/-

**Place:** Ahmedabad  
**Date:** September 26, 2024