



PANAFIC INDUSTRIALS LIMITED

Panafic Industrials Limited (Company or Issuer) was incorporated on January 01, 1985, as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Delhi & Haryana and consequently a certificate of commencement of business dated January 16, 1985, was issued to our Company. Pursuant to a Board Resolution passed by the Board of Directors of our Company on July 17, 2014, the Registered Office of our Company was shifted from 4566-13, Jai Mata Market, Trinagar, New Delhi – 110035, India to 23, 2nd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi – 110026, India.

Registered Office: 23, 2nd Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi – 110026, India

Contact Person: Mr. Dharmender Kumar, Company Secretary and Compliance Officer

E-mail: panafic.industrials@gmail.com; **Phone:** 011-25223461, 25221200

Website: www.panaficindustrialsltd.in;

Corporate Identity Number: L45202DL1985PLC019746

OUR PROMOTER: MS. SARITA GUPTA, MS. SAROJ GUPTA, MR. ANIL GUPTA & MR. RAJEEV KUMAR GUPTA		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF PANAFIC INDUSTRIALS LIMITED		
(THE COMPANY OR THE ISSUER) ONLY		
<p>ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1/- EACH OF OUR COMPANY (THE RIGHTS EQUITY SHARES) FOR CASH AT A PRICE OF ₹[●] PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER RIGHTS EQUITY SHARE) AGGREGATING UP TO ₹4,200.00 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], (THE ISSUE). FOR FURTHER DETAILS, SEE <i>TERMS OF THE ISSUE</i> BEGINNING ON PAGE 129.</p> <p><i>* Assuming full subscription</i></p>		
WILFUL DEFAULTER(S) OR FRAUDULENT BORROWER(S)		
Neither our Company nor our Promoter or any of our Directors have been identified as Wilful Defaulter(s) or Fraudulent Borrower(s).		
GENERAL RISKS		
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk 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 securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 23 under the section 'General Risks'.		
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 make 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 of our Company are listed on BSE Limited (BSE). Our Company has received in-principle approvals from BSE for listing the Rights Equity Shares to be allotted pursuant to the Issue through their letter dated [●]. Our Company will also make applications to BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI ICDR Master Circular (as defined hereinafter). For the purposes of the Issue, the Designated Stock Exchange is BSE.		
REGISTRAR TO THE ISSUE		
 <p>Skyline Financial Services Private Limited Address: D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel: 011-40450193-97; 011-26812682-83; Email: ipo@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration Number: INR000003241 CIN: U74899DL1995PTC071324</p>		
ISSUE PROGRAMME		
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSURES 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 Renouncee(s) on or prior to the Issue Closing Date.*

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates, or implies or unless otherwise specified, shall have the meaning as provided below.

References to any legislation, act, regulation, rule, guideline, clarification or policy shall be to such legislation, act, regulation, rule, guideline or policy 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 following list of terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive. However, terms used in the sections entitled Summary of the Offer, Risk Factors, Financial Statements, Our Business, Statement of Tax Benefits, Outstanding Litigations and Defaults, Terms of the Issue on pages 19, 23, 71, 62, 50, 118, and 129 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General Terms

Term	Description
Company, our Company, the Company, or the Issuer	Panafic Industrials Limited, a public limited company, incorporated under the erstwhile Companies Act, 1956, and RBI registered NBFC, having its registered office at 23, II Floor, North West Avenue Club Road, New Delhi - 110026, India;
we, our or us	Unless the context otherwise indicates or implies, refers to Panafic Industrials Limited;

Company Related Terms

Term	Description
AoA or Articles of Association or Articles	The Articles of Association of Panafic Industrials Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013;
Auditors or Statutory Auditors or Peer Review Auditor	The statutory auditors of our Company, being M/s Sudhir Agarwal & Associates (formerly known as SRDP & Co.), Chartered Accountants;
Board of Directors or Board or Our Board or BoD	Board of Directors of our Company. For details, see <i>Our Management - Board of Directors</i> on page 65;
Managing Director or MD	The managing director of our Company, Sarita Gupta. For details, see <i>Our Management - Board of Directors</i> on page 65;
Chief Financial Officer or CFO	The Chief Financial Officer of our Company, Ms. Aarushi Gupta. For details, see <i>Our Management - Key Managerial Personnel</i> on page 65;
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company, Dharmender Kumar. For details, see <i>Our Management - Key Managerial Personnel</i> on page 65;
Directors	The director(s) on the Board of our Company, as may be appointed from time to time. For details, see <i>Our Management - Board of Directors</i> on page 65;
Equity Shares	Fully paid-up equity shares of face value of ₹1.00/- each of our Company;

Term	Description
Independent Director(s)	Independent Director(s) on our Board as of the date of this Draft Letter of Offer appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details of the Independent Directors, see <i>Our Management - Board of Directors</i> on page 65;
ISIN	International Securities Identification Number our Company, INE655P01029 ;
Key Managerial Personnel or KMP	Key management personnel of our Company as per Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, see <i>Our Management - Key Managerial Personnel</i> on page 65;
Managing Director or MD	The Managing Director of our Company, Sarita Gupta. For details, see <i>Our Management - Board of Directors</i> on page 65;
Materiality Policy	Policy on Determination and Disclosure of Materiality of Events and Information and Web Archival Policy' adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI (LODR) Regulations;
Memorandum of Association or Memorandum or MoA	The Memorandum of Association of our Company, as amended from time to time;
Nomination and Remuneration Committee or NRC	Nomination and remuneration committee of our Board in accordance with Section 178 of the Companies Act, 2013;
Non-Executive Independent Director(s)	Independent Director(s) on our Board as of the date of this Draft Letter of Offer appointed as per the Companies Act, 2013 and the SEBI LODR Regulations. For details, see <i>Our Management - Board of Directors</i> on page 65;
Promoters	The promoters of our Company, being Sarita Gupta, Saroj Gupta, Anil Gupta and Rajeev Kumar Gupta. For further details, please see <i>Capital Structure</i> beginning on page 65;
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE under the SEBI (LODR) Regulations;
Registered Office	The registered office of our Company located at 23, II Floor, North West Avenue, Club Road, West Punjabi Bagh, New Delhi-110026, India;
Registrar of Companies or RoC	Registrar of Companies, Delhi;
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof on July 29, 2024;
Stakeholder's Grievance & Relationship Committee or Shareholder's / Investor Grievance Committee or Stakeholder's Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholder's Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Shareholders or Equity Shareholders	Holders of the Equity Shares of Panafic Industrials Limited as on the Record Date;
Equity Shares	The equity shares of our Company of face value of Rs. 1.00/- each fully paid up, unless otherwise specified in the context thereof.

Issue Related Terms

Term	Description
Abridged Letter of Offer or ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements;
Allot or Allotment or Allotted	Unless the context requires otherwise, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying in the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Account Bank(s)	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	The note or 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 after approval of the Basis of Allotment by the Designated Stock Exchange;
Allotment Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s) or Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Letter of Offer;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(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 Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form used by an Applicant to make an application for the Allotment of 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 or ASBA	Application (whether physical or electronic) used by Applicant(s) to make an application authorizing the SCSB to block the Application Money in a specified bank account maintained with the SCSB;
ASBA Account	An account maintained with SCSBs and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper Application;
ASBA Applicant or ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renouncee) shall submit application forms using ASBA facility through the Self Certified Syndicate Banks (SCSB) network during the issue period;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, SEBI circular pertaining to Applications Supported by Blocked Amount (ASBA) facility for right issues, as subsumed under the SEBI ICDR Master Circular (to the extent it pertains to the rights issue process), and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard;

Term	Description
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Banker(s) to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, and the Banker(s) to the Issue for inter alia collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, as described in <i>Terms of the Issue</i> beginning on page 129;
Controlling Branches or 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 SEBI's website, updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time;
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, bank account details and occupation, where applicable;
Depository	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Designated Branch(es)	Such branches of the SCSBs which shall collect the Applications, used by the ASBA Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time;
Designated Stock Exchange	BSE Limited is the designated stock exchange of the Company;
Draft Letter of Offer or DLOF	This draft letter of offer dated [●], filed with the Stock Exchange and submitted to SEBI for information and dissemination, in accordance with the SEBI ICDR Regulations; <i>Note: The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require our company to file Draft Letter of Offer with SEBI.</i>
Eligible Equity Shareholder	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders, including any shareholder located in the United States. For further details, see <i>Notice to Investors</i> beginning on page 12;
Escrow Account	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from Eligible Equity Shareholders as on record date making an Application through the ASBA facility;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Fraudulent Borrower(s) or Wilful Defaulter(s)	Fraudulent Borrower(s) or Wilful Defaulter(s) as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations;
Issue or Rights Issue	Rights Issue of up to [●] Equity Shares of face value ₹ 1.00/- each for cash at a price of ₹ [●] per Equity Share for an amount not exceeding ₹4,200 Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares of face value ₹ 1.00/- each held by the Eligible Equity Shareholders on the Record Date i.e. [●];

Term	Description
Issue Opening Date	[●];
Issue Materials	Collectively, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue;
Issue Closing 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	₹ [●]/- (Rupees [●]) per Rights Equity Share including a premium of ₹ [●]/- (Rupees [●]) per Rights Equity Share);
Issue Proceeds	The gross proceeds to be raised by our Company through this Issue, for further details please refer to section titled <i>Objects of the Issue</i> beginning on page 46 of this Draft Letter of Offer;
Issue Size	Amount aggregating up to ₹ 4,200* Lakhs (<i>Assuming full subscription with respect to Rights shares</i>).
Letter of Offer or LOF	The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from the Stock Exchange on this Draft Letter of Offer;
Multiple Application Forms	More than one application form submitted by an Eligible Equity Shareholder / Renouncee in respect of the same Rights Entitlement available in their demat account. However, additional applications in relation to Additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, refer to <i>Objects of the Issue</i> beginning on page 46;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors or NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2 (1) (jj) of the SEBI (ICDR) Regulations;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock-broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws;
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2 (1) (ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●];
Refund Bank	The Banker(s) to the Issue with whom the refund account will be opened, in this case being [●];
Registrar Agreement	Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;

Term	Description
Registrar to the Issue or Registrar or Share Transfer Agent	Registrar to the Issue for the Issue, Skyline Financial Services Private Limited;
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation;
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 Renouncee on or prior to the Issue Closing Date i.e. [●];
Restated Financial Statements	Restated financial statements of our Company for the Fiscals 2024, Fiscal 2023 and Fiscal 2022 and for nine months period ended on December 31, 2024 prepared in accordance with the Companies Act and restated in accordance with the requirements of the SEBI ICDR Regulations. For details, see <i>Financial Information</i> on page 70 of this Draft Letter of Offer.
Retail Individual Investors or RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹2,00,000.00/- (Rupees Two Lakhs Only) (including HUFs applying through their Karta);
Rights Entitlement(s) or REs	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares of face value ₹ 1 each for every [●] Equity Shares of face value ₹ 1 each held by an Eligible Equity Shareholder;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
Self-Certified Syndicate Banks or SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at: www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&inTmId=34 , or such other website as updated from time to time;
SEBI Master Circular	SEBI master circular bearing number SEBI/HO/CFD/PoD-1/P/CIR/2024/0154 dated November 11, 2024.
Stock Exchange	Stock exchanges where the Equity Shares are presently listed, i.e., BSE Limited;
Transfer Date	The date on which the Application Money held in the escrow account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter(s)	Company or person, as the case may be, categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Delhi 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 Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock

Term	Description
	Exchange, Working Day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

CONVENTIONAL AND GENERAL TERMS OR ABBREVIATIONS

Term	Description
Rupees or INR or Rs. or ₹	Indian Rupee, the official currency of the Republic of India;
AGM	Annual general meeting of the Shareholders of our Company;
Alternative Investment Fund(s) or AIF(s)	Alternative Investment Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS or Ind AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI);
BSE	BSE Limited;
CAF	Common Application Form;
CAGR	Compounded Annual Growth Rate;
Calendar Year	Calendar year ending December 31;
Foreign Portfolio Investor(s) or FPI(s)	FPIs who are registered as Foreign Portfolio Investors under the SEBI FPI Regulations, 2019;
CBDT	Central Board of Direct Taxes, Government of India;
CDSL	Central Depository Services (India) Limited;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
Central Government or CG	Central Government of India;
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account;
Companies Act or Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder;
Standalone FDI Policy or FDI Policy	The standalone FDI Policy issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time;
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
Depository Participant or DP	Depository participant as defined under the Depositories Act;
DP-ID	Depository participant's identification number;
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion);
EBIT	Earnings before interest and taxes;
EBITDA	Earnings before interest, taxes, depreciation and amortization;
EGM	Extraordinary General Meeting;
EPF	Employees' provident fund;
EPS	Earnings per Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;

Term	Description
Financial Year or Fiscal Year or Fiscal or FY	Period of 12 months ending March 31 of that particular year;
FII(s)	Foreign Institutional Investors
FIPB	Foreign Investment Promotion Board;
FPI(s)	Foreign Portfolio Investors;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
GAAP or Indian GAAP or I-GAAP	Generally Accepted Accounting Principles in India;
GDP	Gross Domestic Product;
GNPA	Gross Net Performing Assets;
GOI	The Government of India;
Government	Central Government and/ or the State Government, as applicable;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Income Tax Act or IT Act India	The Income Tax Act, 1961 and amendments thereto;
India	India Republic of India;
Insolvency Code or IBC	Insolvency and Bankruptcy Code, 2016, and amendments thereto;
ISIN	International securities identification number;
IST	Indian standard time;
IT	Information Technology;
KYC	Know Your Customer;
MCA	Ministry of Corporate Affairs, Government of India;
Mn or mn	Million;
MSME / SME	Micro, Small and Medium Enterprise;
Mutual Fund or MF	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and amendments thereto;
NA or N.A.	Not Applicable;
NAV	Net Asset Value per Equity Share at a particular date computed based on total equity divided by number of Equity Shares;
NBFC	Non-banking financial company;
NEFT	National Electronic Fund Transfer;
Net Worth or NW	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR or Non-Resident	Non-resident or person(s) resident outside India, as defined under the FEMA;
NRI or Non-Resident Indian	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, and amendments thereto;
NSDL	National Securities Depository Limited;
OCBs	Overseas Corporate Body;
p.a.	Per annum;

Term	Description
PAN	Permanent account number;
PAT	Profit after Tax;
P/E Ratio	Price to earnings ratio;
PIT or Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
PMLA	Prevention of Money Laundering Act, 2002, and amendments thereto;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934, and amendments thereto;
ROC	Registrar of Companies;
RoNW	Return on Net Worth;
RTGS	Real Time Gross Settlement;
SARFAESI Act or SARFAESI	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, and amendments thereto;
SCORES	SEBI Complaints Redressal System;
SCRA	Securities Contracts (Regulation) Act, 1956, and amendments thereto;
SCRR	Securities Contracts (Regulation) Rules, 1957, and amendments thereto;
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act;
SEBI Act	The Securities and Exchange Board of India Act, 1992, and amendments thereto;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 and amendments thereto;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 and amendments thereto;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (LODR) Regulations or SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto;
SEBI (SAST) Regulations or SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act or U.S. Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
State Government	Government of a state of India;
TAN	Tax Deduction and Collection Account Number;
TDS	Tax deductible at source;
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
UPI	Unified Payment Interface;
USD or US\$ or US Dollar	United States Dollar, the official currency of the United States of America;
U.S. or USA or United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;
Y-o-Y	Year-on-year;

Industry Related Terms

Term/Abbreviation	Description/ Full Form
ALM	Asset Liability Management;
BG	Bank Guarantee
Bps	Basis Point
CIBIL	Credit Information Bureau (India) Limited
Collection efficiency	The total collection for the month including arrears to total demand for the month for all active loans;
CRAR	A capital ratio consisting of the sum of Tier I and Tier II capital to its aggregated risk weighted assets and risk adjusted value of off-balance sheet items;
DSA	Direct Sales Agent
EMI	Equated Monthly Instalment
GNPAs	Gross Non-Performing Asset(s);
GLP	Gross Loan Portfolio
Loan Book	Outstanding loans net of provisions made for NPAs
MIS	Management Information System
NPA(s)	Non-Performing Asset(s);
RBI NSI Master Directions	RBI's Master Direction - Non-Banking Financial Company – Non - Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended
RBI SI Master Directions	RBI's Master Direction - Non-Banking Financial Company –Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, as amended

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NOTICE TO INVESTORS

The distribution of the 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, Letter of Offer, the Abridged Letter of Offer or CAFs may come are required to inform themselves about and observe such restrictions.

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.

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 on the registered email addresses of such Eligible Equity Shareholders.

Investors can also access 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.

The credit of Rights Entitlements does not constitute an offer, invitation to offer or solicitation for participation in the Issue, whether directly or indirectly, and only dispatch of the Issue Material shall constitute an offer, invitation or solicitation for participation in the Issue in accordance with the terms of the Issue Material. Further, receipt of this Draft Letter of Offer, the Letter of Offer, Application Form or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or redistributed, in part or full. Accordingly, persons receiving a copy of the Issue Materials should not distribute or send the Issue Materials in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If Issue Material is received by any person in any such jurisdiction, they must not seek to subscribe to the Rights Equity Shares.

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, 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 or into any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction.

Receipt of this Draft Letter of Offer, Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone 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, this Draft Letter of Offer, Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed.

Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer, and any other Issue Materials should not distribute or send this Draft Letter of Offer, Letter of Offer or any such documents in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations, or would subject our

Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer or Letter of Offer or any other Issue Material is received by any person in any such jurisdiction, they must not seek to subscribe to the Rights Equity Shares.

Any person who purchases or renounces the Rights Entitlements or makes an application to acquire the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is eligible to subscribe and authorized to purchase or sell the Rights Entitlements or acquire Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company reserves the right to treat as invalid any Application Form which:

- (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or any other jurisdiction where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions;
- (ii) does not include the relevant certifications set out in the Application Form, including to the effect that such person submitting the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or
- (iii) where either a registered Indian address is not provided; or
- (iv) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Draft Letter of Offer nor any sale of Rights Equity Shares in terms of the Letter of Offer, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information. The contents of this Draft Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

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

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

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.

Notice To Persons In The United States And U.S. Persons

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, Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States or as a solicitation therein of an offer to buy any of the Rights Equity Shares or Rights Entitlement. There is no intention to register any portion of the Issue or any of the securities described herein in the United States or to conduct a public offering of securities in the United States. Accordingly, this Draft Letter of Offer, Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

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

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

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

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

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

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

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

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to:

- (i) *'India'* are to the Republic of India and its territories and possessions; *and*
- (ii) the *'Government'* or *'GoI'* or the *'Central Government'* or the *'State Government'* are to the Government of India, Central or State, as applicable.
- (iii) 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;

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

FINANCIAL DATA

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Restated Financial Statements. For details, please see ***Restated Financial Information*** beginning on page 70 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards (**Ind AS**), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board (**IFRS**) and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the **Ind AS Rules**).

The Restated Audited Financial Statements of Our Company for the Financial Years ended March 2024, 2023, 2022 and for 9 months ended 31st December 2024 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of offer should accordingly be limited. For further information, see *Financial Information* on page 70.

Certain figures contained in this Draft Letter of offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other

than two decimal points in their respective sources, such figures appear in this Draft Letter of offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

MARKET AND INDUSTRY DATA

Unless stated otherwise, market, industry and demographic data used in this Draft Letter of Offer has been obtained from market research, publicly available information as well as various industry publications and sources, as referred to herein (collectively, the Sources). Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed.

Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based solely on such information.

CURRENCY OF PRESENTATION

All references to

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

Please note:

- One crore is equal to 100 lakhs; and
- One lakh is equal to 1,00,000.

Conversion Rates for Foreign Currency

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

Currency	As of December 31, 2024 (in ₹)	As of March 31, 2024 (in ₹)	As of March 31, 2023 (in ₹)	As of March 31, 2022 (in ₹)
1 USD	85.42	83.34	82.15	75.51

(Source: www.oanda.com)

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FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute '*forward-looking statements*.' Investors can generally identify forward-looking statements by terminology such as '*aim*', '*anticipate*', '*believe*', '*continue*', '*can*', '*could*', '*estimate*', '*expect*', '*expected to*', '*intend*', '*is likely*', '*may*', '*objective*', '*plan*', '*potential*', '*project*', '*pursue*', '*shall*', '*should*', '*will*', '*would*', 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.

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. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business.
- Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.
- The microfinance industry in India faces unique risks due to the category of borrowers that it services, which are generally not associated with other forms of lending.
- We depend on the accuracy and completeness of information about borrowers and counterparties for our credit assessment and risk management. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and results of operations.
- Our business is particularly vulnerable to interest rate risk, and volatility in interest rates could have an adverse effect on our net interest income and net interest margin, thereby affecting our results of operations and cash flows.
- Changes in political and economic conditions in India or other countries we operate in, fluctuations in monetary and interest rate policies in India and globally, inflation, deflation, or unexpected volatility in interest rates, equity prices, or other financial market indicators could impact our business operations and financial performance.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled *Risk Factors*, *Our Business* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* beginning on pages 23, 62 and 107 respectively. 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.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our Company's management, as well as the assumptions made by, and information currently available to, the management of our Company. Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and our Company undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All

subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

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

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SECTION II – LETTER OF OFFER SUMMARY

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled *Risk Factors*, *Objects of the Issue*, *Our Business*, *Outstanding Litigations and defaults* and *Financial Statements* beginning on pages 23, 46, 62, 118 and 71 of this Draft Letter of Offer, respectively.

Primary Industry in which the Company operates

The Non-Banking Financial Companies (NBFCs) sector in India plays a crucial role in the financial ecosystem of the country. Over the past decade, NBFCs have significantly increased their share in the credit portfolio, growing from one-sixth of the total bank credit in 2013 to more than one-fourth now. This steady growth reflects the sector's ability to reach underserved sectors, particularly small businesses, and households, offering customer friendly credit solutions.

By leveraging technology, NBFCs have expedited and streamlined their credit delivery processes, positioning themselves as a preferred option for multiple individuals, groups and companies. However, this rapid expansion has also introduced systemic risks, prompting increased engagement and oversight from the Reserve Bank of India (RBI).

For further details, please refer to the chapter titled *Industry Overview* at page 53 of this Draft Letter of Offer.

Primary Business of the Company

Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI bearing registration number B. 14.03057 dated March 07, 2005, to commence or carry on the business of non-banking financial institution under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company.

For further details, please refer to the section titled *Our Business* at page 62 of this Draft Letter of Offer.

Our Promoters

As of the date of this Draft Letter of Offer, the Promoter of our Company is Ms. Sarita Gupta, Ms. Saroj Gupta, Mr. Anil Gupta and Mr. Rajeev Kumar Gupta.

For further details, please refer to section titled *Our promoter* beginning on page 69 of this Draft Letter of Offer.

Objects of the Issue

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	Gross Proceeds from the Issue [#]	Up to 4,200.00
2.	Less: Estimated Issue related Expenses	●
	Net Proceeds from the Issue	●

[#]Assuming full subscription and allotment

*The issue size will not exceed ₹ 4,200/- Lakhs (Rupees Forty Two Crores only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1.	To augment the capital base of our company	[●]
2.	General Corporate Purposes [#]	[●]
	Total Net Proceeds*	[●]

#Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized for general corporate purposes shall not exceed 25% of the Issue Proceeds.

**Assuming full subscription and Allotment of the Rights Equity Shares.*

For further details, please refer to the section titled *Objects of the Issue* beginning on page 46 of this Draft Letter of Offer.

Financial Information

Following are the details as per the Restated Financial Information as at and for the Financial Years ended on March 31, 2024, 2023 and 2022 and for nine-month period ended on December 31, 2024:

(Amount in ₹ lakhs)

Particulars	As of and for the nine-months period ended	As of and for the Financial Years ended		
	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Equity Share Capital	821.25	821.25	821.25	821.25
Net Worth	990.19	988.01	985.86	1,019.20
Revenue from operations	45.95	67.89	71.75	216.87
Profit after tax	2.18	2.15	11.30	123.91
Earnings per Share				
- Basic	0*	0.00	0.01	0.15
- Diluted	0*	0.00	0.01	0.15
Net asset value per Equity Share**	2.04	1.21	1.22	1.26
Total borrowings	663.62	-	0.72	3.81

**EPS Not Annualised*

**Net asset value per equity share (₹): Net assets at the end of the year/period divided by total number of equity shares outstanding at the end of the year/period.*

For further details, please refer the section titled *Financial Information* on page 70 of this Draft Letter of Offer.

Summary of Outstanding Litigation

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

(a) Litigation against Company:

Type of case	Litigation Number/ Case Number	Plaintiff	Amount involved	Status of Litigation
-----NIL-----				

(b) Case/Appeal by Company:

Type of case	Case/Appeal Number	Defendant	Amount involved	Status of Litigation
Income tax Case U/s 148	A.Y 2012-13	CIT (A), Delhi	Rs.1,05,73,420	Pending for hearing
Income tax Case U/s 148	A.Y 2013-14	CIT (A), Delhi	Rs.3,79,09,495	Pending for hearing
Appeal No 136 of 2024 With SEBI for recovery of Penalty deposited Rs. 5,21,000/-				

(c) Litigations by Company's directors and Promoters:

Type of case	Litigation Number/ Case Number	Defendant	Amount involved	Status of Litigation
-----NIL-----				

(d) Litigation against Company's Directors and Promoters:

Type of case	Litigation Number/ Case Number	Defendant	Amount involved	Status of Litigation
1. ROC for Non-Compliance u/s 129(7) of Companies Act 1956 for balance Sheet as on 31.3.2015 against Mr. Rajeev Kumar Gupta and Ms. Sarita Gupta				
2. ROC for Non-Compliance u/s 211(7) of Companies Act 1956 for balance Sheet as on 31.3.2015 against Mr. Ashwani Salwan, Mr. Ankur Sharma, Mr. Sanjeev Kumar, Mr. Rajeev Kumar Gupta and Ms. Sarita Gupta.				

(e) Outstanding litigations involving Company's Subsidiaries/Associates:

Since the Company does not have any Subsidiaries, Associates or Joint Venture Companies, the disclosure of particulars with respect to information related to Outstanding litigations of the Subsidiaries, Joint Ventures or Associate Companies is not applicable on the Company.

For further details, please refer to section titled *Outstanding Litigations and Defaults* beginning on page 118 of this Draft Letter of Offer.

Risk Factors

Investors are advised to read the risk factors carefully before taking an investment decision in the Issue.

For details, see *Risk Factors* beginning on page 23.

Contingent Liabilities

For details of the contingent liabilities, please refer to the Restated Financial Statements as mentioned in section titled *Financial Information* beginning on page 70 of this Draft Letter of Offer.

Related Party Transactions

For details of the Related Party Transactions, please refer to the Restated Financial Statements as mentioned in section titled *Financial Information* beginning on page 70 of this Draft Letter of Offer.

Issue of Equity Shares for consideration other than cash

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

Split / Consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Letter of Offer.

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SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including Our Business, ‘Industry Overview’, and Financial Statements beginning on pages 62, 53 and 71 respectively in this Draft Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

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

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

INTERNAL RISK FACTORS

1. We operate in a highly competitive industry, and our inability to compete effectively could negatively impact our business.

We operate in a highly competitive industry with lot of other competitors. They come from public and private banks, financial institutions, and other finance-related groups. Some of these competitors might have more resources, be bigger, and spend less on their operations than us. They could also have wider reach, better partnerships, and offer different types of financial help that we can't. The competition our Company faces from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants in the industry and the extent to which there is consolidation among banks and financial institutions in India. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

2. Our business necessitates significant capital infusion, and any disturbances to our funding channels could substantially impair our liquidity and overall fiscal health.

Our operational liquidity and overall profitability are heavily reliant on the timely availability of capital, both debt and equity, while considering the associated costs. The continued success of our business depends on our ability to consistently access a diverse range of cost-effective funding sources. As we operate within the financial services sector, we face specific regulatory constraints when seeking financing from banking institutions. Our expansion strategy and the introduction of new products to our customers will increase our long-term capital needs. As our business grows, we may become more reliant on raising funds from the debt capital markets. The competitive nature of these markets could affect our ability to secure funds at rates that match or exceed those of our competitors. In the event we fail to access funds at an effective cost comparable to or better than our rivals, we may struggle to offer competitive loan interest rates.

Our ability to raise capital on favorable terms and competitive rates depends on various factors, including regulatory policies in India, market liquidity conditions, global economic factors affecting India, investor and lender sentiment regarding the demand for equity and debt securities from Non-Banking Financial Companies (NBFCs), and our current and projected financial performance.

If we are unable to obtain adequate financing or financing on terms satisfactory to us and in a timely manner, our ability to grow or support our business and to respond to business challenges could be limited and our business prospects, financial condition and results of operations would be materially and adversely affected.

3. There are outstanding litigations involving our Company, the Promoters and the Directors, which, if determined adversely, may affect their business and operations and our reputation.

We are involved in legal proceedings which are in the ordinary course of business. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. In addition, we are involved in various direct tax and indirect tax proceedings, wherein we have claimed certain deductions under the applicable tax laws, which have been disallowed by the relevant tax authorities and we have filed appeals challenging such disallowances at the appellate forums. We cannot assure you that such outstanding legal proceedings will be decided in our favour or that any financial provisions we have made for such legal proceedings will be sufficient. For details of our material legal proceedings, see “**Outstanding Litigation and Defaults**” beginning on page 118. There cannot be any assurance that these legal proceedings will be decided in our favour. Such legal proceedings could divert the management’s time and attention and consume financial resources in their defense or prosecution. In addition, should any new developments arise such as changes in Indian law or rulings against us by the regulators, appellate courts or tribunals, we may need to make provisions in our financial statements, which could increase our expenses and our current liabilities. An adverse outcome in such proceedings could have an adverse effect on our business, reputation and results of operations.

Further details, please refer section titled *Outstanding Litigations and defaults* beginning on page 118 of this Draft Letter of offer.

4. We are subjected to supervision and regulation by the RBI as non – deposit accepting NBFC, and changes in RBI’s regulations governing us could adversely affect our business.

As a non-deposit accepting Non-Banking Financial Company (NBFC), we are subject to supervision and regulation by the Reserve Bank of India (RBI). The RBI’s regulatory framework plays a critical role in shaping our business operations. Any changes in the regulatory environment, including modifications to existing guidelines or the introduction of new regulations, could impact our operations, capital requirements, compliance obligations, and business strategy. Such changes may impose additional costs or restrictions, which could adversely affect our ability to operate efficiently, limit growth opportunities, or lead to changes in market dynamics that negatively influence our financial performance.

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

Our company primarily offers unsecured loans, meaning they are not backed by any collateral. As a result, we face the risk of non-repayment by borrowers. Additionally, any decline in the financial stability of our borrowers could lead to difficulties in collecting both interest and principal payments on time. A deterioration in the quality of our asset portfolio could negatively affect our business and financial performance. While we adopt a cautious and selective approach in our lending practices, carefully assessing the creditworthiness and repayment capacity of borrowers, there is no guarantee that we will be able to recover the interest or principal of loans in a timely manner.

6. We have experienced negative cash flows in relation to our operating activities Any negative cash flows in the future could adversely affect our results of operations and financial condition.

The following table sets forth net cash inflow/(outflow) from operating activities for the period ended on December 31, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022:

(Amount ₹ in Lakhs)

Particulars	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Net Cash from operating activities	(665.12)	(112.35)	60.45	916.62

We cannot assure that our net cash flows will be positive in the future, which could adversely affect our ability to, among others, fund our operations, pay debts in a timely manner or finance proposed business expansions or investments.

7. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

As a listed company, we are obligated to adhere to the rules and regulations stipulated by the Stock Exchanges and SEBI pertaining to ongoing listing requirements, as well as the provisions outlined in the Companies Act, 2013 and rules framed thereunder. The occurrence of any non-compliance with these established rules and regulations, or the dissemination of inaccurate information to the Stock Exchange or any legal authority, could lead to the imposition of penalties upon our organization. These penalties have the potential to exert a detrimental impact on our business and operational functions.

On certain occasions, our company has experienced inadvertent non-compliance or delays in compliance with the provisions of the SEBI LODR Regulations. While we believe we are generally in compliance with the rules and regulations imposed by the BSE and SEBI regarding continuous listing, any failure to comply with these regulations, or any incorrect or delayed disclosures or filings with the BSE or other statutory authorities, could result in penalties being imposed on us. Such penalties could have an adverse impact on our business and operations.

8. The Logo used by our Company is currently not registered under the Trademarks Act, 1999. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and Profitability.

The Logo used by our Company is not registered under the Trade Marks Act, 1999, as on the date of this Draft Letter of Offer. Therefore, as on date, we do not enjoy the statutory protections that are accorded to a registered trademark. We may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application for registration of the Trademark will be allowed. In case we are unable to obtain the registration for the said trademark in our name, our business revenues and profitability may be impacted.

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

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

10. Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and skilled personnel. We face a continuing challenge to recruit and retain a sufficient number of suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

11. We have not made any alternate arrangements for meeting our working capital requirements. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.

As on date, we have not made any alternate arrangements for meeting our working capital requirements. We meet our working capital requirements through our owned funds and internal accruals. Any shortfall in our net owned funds and internal accruals would result in inability to meet our working capital requirements, which in turn will negatively affect our financial condition and results of operations. Further, we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this issue or any shortfall in the issue proceeds may delay the implementation schedule and could adversely affect our growth plans.

12. We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.

We are exposed to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill.

13. We are evolving business and thus it is difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may exceed or may not meet our past performance.

Our business is growing business and the results and amounts set forth in our financial statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies and financial institutions that are in the early stages of development. Our failure to mitigate the risks and uncertainties associated with our business could materially adversely affect our business and operating results.

14. Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our company.

Our business is dependent on interest income from the loans disbursed. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. If interest rates rise, we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors who may have access to low cost deposit funds. This could have a material adverse effect on our Company's results of operations and financial condition.

15. We may experience difficulties in expanding our products.

Expanding our products portfolio with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to

commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high -risk credit and impose significant costs on us.

16. We may experience difficulties in expanding our business into new regions and markets in India.

We may face challenges in expanding our business into new regions and markets across India. Historically, our distribution network has been concentrated in Delhi, and as part of our growth strategy, we seek to explore opportunities in other regions. However, factors such as local competition, cultural differences, varying regulatory regimes, business practices, and customer demands may differ significantly from those in our current markets. Our experience in existing markets may not be directly applicable to new regions. Additionally, we may encounter strong competition from established banks and financial institutions that are more familiar with local conditions and have stronger customer relationships.

Furthermore, we may face additional hurdles such as obtaining necessary government approvals, understanding market dynamics in unfamiliar territories, attracting customers in regions where we have limited experience, and adapting to local taxation and language differences. Failure to overcome these challenges and successfully expand into new markets could have a material adverse effect on our business prospects, financial condition, and operational performance.

17. The Logo used by our Company is currently not registered under the Trademarks Act, 1999. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and Profitability

The Logo used by our Company is not registered under the Trade Marks Act, 1999, as on the date of this Draft Letter of Offer. Therefore, as on date, we do not enjoy the statutory protections that are accorded to a registered trademark. We may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects. Thus, we cannot guarantee that the application for registration of the Trademark will be allowed. In case we are unable to obtain the registraStion for the said trademark in our name, our business revenues and profitability may be impacted.

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

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

19. As an NBFC, we must adhere to several regulatory norms prescribed by RBI from time to time. Further, as the Equity Shares of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations, and permissions for operating our business. Such approvals, licenses, registrations, and permissions must be maintained / renewed over time, and we may have to comply with certain conditions in relation to these

approvals. Moreover, the applicable requirements may change, and we may not be aware of or may comply with all requirements all the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

Further, as the Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and must adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

20. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations, and goodwill could be adversely affected.

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

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, profits earned during the financial year, capital adequacy ratio, future capital requirements, and any other factors and material events which the Board may consider.

In addition, any dividend payments we make are subject to the prior consent of certain of our lenders pursuant to the terms of the agreements we have with them or the terms of financing arrangements that we may enter. In addition, the declaration and payment of dividend is subject to relevant RBI regulations and guidelines issued by the RBI from time to time. For instance, in order to infuse transparency and uniformity in practice of declaration of dividend by NBFCs, the RBI through the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, has prescribed framework for declaration of dividend by NBFCs, providing among other things, eligibility criteria on different parameters such as capital adequacy, net NPA ratio and quantum of dividend payable, including prescribed ceilings on dividend payout ratio, among others. Similar guidelines may be imposed in the future.

We have not declare any dividend to our shareholders in the last three financial years and cannot assure that we will be able to pay dividends in the future.

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

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

23. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled 'Objects of the Issue'.

As the Issue size is not more than one hundred crore rupees, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the section titled '*Objects of the Issue*' on page 46 of this Draft Letter of Offer.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled '*Industry Overview*' beginning on page 53 of this Draft Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

ISSUE RELATED RISKS

25. SEBI has recently, by way of circulars dated November 11, 2024 consolidating all previous circulars related to the process of rights issues. These master circular aim to streamline the rights issue process by rescinding earlier circulars. You are advised to carefully follow the instructions provided in this SEBI Master Circular and as stated in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated November 11, 2024, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see *Terms of the Issue* on page 129 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Master Issue Circular dated November 11, 2024, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:

- (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- (b) Equity Shares held in the account of IEPF authority; or
- (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date;

- (d) credit of the Rights Entitlements returned/reversed/failed; or
- (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

26. 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 dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements.

27. Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (Physical Shareholders) may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. For details, see Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form on page 135 of this Draft Letter of Offer.

28. The entitlement of Equity Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.

Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. This further means that they will have no voting rights in respect of the Equity Shares. For details, see *Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form* on page 135 of the Draft Letter of Offer.

29. The Eligible Equity Shareholders holding Equity Shares in physical form will have no voting rights in respect of Equity Shares until they provide details of their demat account and Equity Shares are transferred to such demat account from the demat suspense account thereafter.

The Equity Shares will be credited to a demat suspense account to be opened by our Company, in case of Allotment in respect of resident Eligible Equity Shareholders holding Equity Shares in physical form and who have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date. Such Eligible Equity Shareholders are required to send, amongst others, details of their demat accounts to our Company or the Registrar to enable our Company to transfer, after verification of the details of such demat account by the Registrar, the Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders. Unless and until such Eligible Equity Shareholders provide details of their demat account and the Equity Shares are transferred from demat suspense account to such demat accounts thereafter, they will have no voting rights in respect of Equity Shares. For details, see *Terms of the Issue* on page 129 of this Draft Letter of Offer.

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see *Terms of the Issue* on page 129 of this Draft Letter of Offer. In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

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

In terms of the SEBI (ICDR) Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the 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 of 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.

32. Our Company will not distribute the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form to certain overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer, the Abridged Letter of Offer, Rights Entitlement Letter and Application Form (the **Offering Materials**) to such shareholders who have provided an address in India for the service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Offering Materials to retail individual shareholders in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions.

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that

we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

34. You may be subject to Indian taxes arising out of capital gains on the sale of the Rights Equity Shares and Rights Entitlement.

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

35. You may not receive the Equity Shares that you subscribe in the Issue until 15 (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 (Fifteen) 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.

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

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

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

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

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

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

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

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

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

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

41. There is no public market for the Equity Shares outside India.

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

42. Any trading closures at the Stock Exchange may adversely affect the trading prices of our Equity Shares.

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

EXTERNAL RISK FACTORS

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

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which

we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

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

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

44. Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

The Restated Financial Statements of our Company for the Financial Year ending March 31, 2024, March 31, 2023, March 31, 2022, and for the nine months ended on December 31, 2024 have been prepared in accordance with the Ind AS, and the Companies Act, 2013. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS.

Accordingly, the degree to which our 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 this Draft Letter of Offer should be limited accordingly.

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

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

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

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

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

46. A third party could be prevented from acquiring control of us because of anti-takeover provisions under Indian law.

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

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

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

Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given tax year. Taxes and other levies imposed by the Government of India that affect our industry include income tax, goods and services tax and other taxes, duties or surcharges introduced from time to time. The tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Government of India may adversely affect our competitive position and profitability. We cannot assure you that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the countries in which we operate may materially and adversely affect our business, results of operations and financial condition. In addition, we may have to incur expenditure to comply with the requirements of any new regulations which may also materially harm our results of operations. We are also subject to these risks in all our overseas operations depending on each specific country. Any unfavourable changes to the laws and regulations applicable to us could also subject us to additional liabilities. As a result, any such changes or interpretations may adversely affect our business, financial condition and financial performance. Further, changes in capital gains tax or tax on capital market transactions or sale of shares may affect investor returns.

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

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

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

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

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any

significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance and the trading price of the Equity Shares.

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

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

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

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

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

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

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

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

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

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

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

Factors that may adversely affect the Indian economy, and hence our results of operations may include, any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on July 29, 2024, in pursuance of Section 62(1)(a) of the Companies Act, 2013.

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 the section titled *Terms of the Issue* beginning on page 129 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	8,21,25,000 Equity Shares
Rights Equity Shares offered in the Issue	Up to [●] Rights Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Rights Entitlement	[●] Equity Shares for every [●] Equity Shares held on the Record Date
Record Date	[●]S
Face Value per Equity Share	₹1.00/- (Rupee One Only) each
Issue Price per Equity Share	₹ [●]/- (Rupee [●] Only) including a premium of ₹ [●]/- (Rupee [●] Only) per Rights Equity Share
Issue Size (Assuming full subscription for the Issue)	Up to ₹ 4,200.00 Lakhs (Upto Rupees Forty Two Crore only)
Fractional Entitlement	For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of One additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements, if any.
Terms of the Issue	Please refer to the section titled <i>Terms of the Issue</i> beginning on page 129 of this Draft Letter of Offer
Use of Issue Proceeds	Please refer to the section titled <i>Objects of the Issue</i> beginning on page 46 of this Draft Letter of Offer
Security Code/ Scrip Details[#]	ISIN: INE655P01029 BSE Scrip Code: 538860 ISIN for Rights Entitlements: [●]

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

#Our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, as may be required under applicable laws.

TERMS OF PAYMENT

Amount payable per Rights Shares	Face Value	Premium	Total
On Application	₹1.00	₹[●]	₹[●]
Total	₹1.00	₹[●]	₹[●]

ISSUE SCHEDULE

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

Issue Opening Date	[●]
Last date for On Market Renunciation of Rights	[●]
Issue Closing Date*	[●]

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

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GENERAL INFORMATION

Our Company was originally incorporated on January 01, 1985, as Panafic Industrials Limited as a public limited company under the erstwhile Companies Act, 1956, and the certificate of incorporation was granted by the Registrar of Companies, Delhi & Haryana.

The promoters of our company are Ms. Sarita Gupta, Ms. Saroj Gupta, Mr. Anil Gupta and Mr. Rajeev Kumar Gupta.

Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI bearing registration number 'B. 14.03057' dated 07.03.2005 to commence or carry on the business of non-banking financial institution under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company.

The equity shares of our Company got listed on the BSE Limited on January 07, 2015, bearing Scrip Symbol '538860' and ISIN 'INE655P01029'.

The Corporate Identification Number of our Company is L45202DL1985PLC019746.

REGISTERED OFFICE OF OUR COMPANY

Panafic Industrials Limited

23, II Floor, North West Avenue, Club Road,
West Punjabi Bagh, New Delhi-110026, India

Tel: 011-25223461 / 25221200

Email: panafic.industrials@gmail.com

Website: www.panaficindustrialsltd.in

CIN: L45202DL1985PLC019746

Registration Number: 019746

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies, Delhi & Haryana

4th Floor, IFCI Tower, 61, Nehru Place, New Delhi-110019

Tel: 011 – 26235703

Email: roc.delhi@mca.gov.in

Website: www.mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Dharmender Kumar

23, II Floor, North West Avenue, Club Road,
West Punjabi Bagh, New Delhi-110026, Delhi, India

Tel: 011-25223461 / 25221200

Email: panafic.industrials@gmail.com

CHIEF FINANCIAL OFFICER

Ms. Aarushi Gupta

23, II Floor, North West Avenue, Club Road,
West Punjabi Bagh, New Delhi-110026, Delhi, India

Tel: 011-25223461 / 25221200

Email: panafic.industrials@gmail.com

STATUTORY AUDITORS OF OUR COMPANY

M/s. Sudhir Agarwal & Associates,
Chartered Accountants
(formerly known as SRDP & Co.)
508, Arunachal Building, 19, Barakhamba
Road, New Delhi-110001
Mobile: 9811021049
Email: sudhiricai@yahoo.com
Contact Person: CA Sudhir Kumar Agarwal
Membership No.: 088583
Firm Registration No.: 509930C
Peer Review No.: 017616

REGISTRAR TO THE ISSUE

Skyline Financial Services Private Limited
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Tel: 011-40450193-97; 011-26812682-83
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Contact Person: Mr. Anuj Rana
SEBI Registration Number: INR000003241
CIN: U74899DL1995PTC071324

LEGAL ADVISOR TO THE ISSUE

Vox Vobis Law Firm
Advocates, Solicitors & Legal Consultants
C-46, F. F., C.L. Joseph Block,
Tis Hazari Courts, Delhi-110054
Bar Council No.: D/2435-E/2007
Tel: +919312563111
Email: voxvobislawfirm@yahoo.com
Contact Person: Mr. Digvijay Singh, Advocate

BANKERS TO THE ISSUE / REFUND BANK

[•]

BANKERS TO THE COMPANY

HDFC Bank Limited
SEBI Registration No.: INBI00000063
Address: Ground Floor, Laxmi Deep Building, District Centre, Laxmi Nagar, Delhi 110092
Tel No.: 9818680434
Email: PRASHANT.VERMA@HDFCBANK.COM, RAHIL.ANWAR@HDFCBANK.COM
Website: www.hdfcbank.com
Contact Person: PRASHANT VERMA, RAHIL ANWAR
CIN: L65920MH1994PLC080618

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:

Name	Designation	DIN	Address
Sarita Gupta	Managing Director	00113099	D-158, Pushpanjali Enclave, Pitam Pura, New Delhi -110034
Renu	Non-Executive Director	03572788	H-3/210-211, Block H, Kunar Singh Nagar, Nangloi, Delhi-110041
Basuvaiah Duraiswamy	Non-Executive Independent Director	09258691	140, Vijay Nagaram Gardens, Near Rose Garden, Udthagamandalam, The Nilgiris, Tamil Nadu-643001
R.S. Chandan	Non-Executive Independent Director	08849851	20, Dr. Rajkumar Road, JSS Layout, Mysore – 570011

For further details of the Board of Directors, please refer to the section titled *Our Management* beginning on page 65 of this Draft Letter of Offer.

EXPERT

Except for the reports of the Auditor of our Company on the Restated Financial Statements and Statement of Tax Benefits, included in this Draft Letter of Offer, our Company has not obtained any expert opinions.

SELF-CERTIFIED SYNDICATE BANKS

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

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:

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization 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)	[●]

Note:

#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 who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (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 Application Forms, please refer to the section titled *Terms of the Issue* beginning on page 129 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at www.skylinerta.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders* under the section titled *Terms of the Issue* beginning on page 129 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 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 this Issue.

CREDIT RATING

As this proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

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

MONITORING AGENCY

Since the Issue size does not exceed one hundred crore rupees, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITY

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

UNDERWRITING

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

FILING

SEBI vide its Amendment regulations i.e., SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, 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 been increased from ₹1,000 Lakhs to ₹ 5,000 Lakhs. Since the size of this Issue falls under the threshold, the Draft Letter of Offer had been filed with the Stock Exchange and will not be filed with SEBI.

MINIMUM SUBSCRIPTION

Pursuant to the SEBI (ICDR) Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Object of the Issue being other than capital expenditure for a project; and
2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

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CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

(Amount In ₹ lakhs)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
50,00,00,000 (Fifty Crore) Equity Shares	5,000.00	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
8,21,25,000 (Eight Crore Twenty-One Lakh Twenty-Five Thousand) Equity Shares	8,21.25	-
Present Issue in terms of this Draft Letter of Offer^{(a) (b)}		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share	[●]	[●]
Issued, subscribed and paid-up Equity Share capital after the Issue		
[●] ([●]) Equity Shares		[●]
Securities premium account		
Before the Issue (as on December 31, 2024)		Nil
After the Issue ^(c)		[●]

(a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on July 29, 2024.

(b) Assuming full subscription for allotment of Rights Equity Shares.

(c) Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses.

NOTES TO THE CAPITAL STRUCTURE

1. Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares

As on the date of this Draft Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.

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

As on the date of this Draft Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

3. Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Draft Letter of Offer

None of the Promoters and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Draft Letter of Offer.

4. Intention and participation by the promoter and promoter group

The Promoters and members of Promoter Group of our Company, through their letters dated February 03, 2025 have confirmed that they intend to subscribe in part or to full extent of their Right Entitlements in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Further, the Promoter may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹ [●]/-.

6. Shareholding Pattern of our company

- (a) The details of the shareholding pattern of our Company as on December 31, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/panafic-industrials-ltd/panafic/538860/shareholding-pattern/>
- (b) The statement showing holding of Equity Shares of persons belonging to the category Promoter and Promoter Group including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/panafic-industrials-ltd/panafic/538860/shareholding-pattern/>
- (c) The details of shareholders of our Company holding 1% or more of the paid-up capital as on as on December 31, 2024 can be accessed on the website of BSE at <https://www.bseindia.com/stock-share-price/panafic-industrials-ltd/panafic/538860/shareholding-pattern/>

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

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

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SECTION V - PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. To augment the capital base of our company; and
2. General Corporate Purposes

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

ISSUE PROCEEDS

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

Particulars	Amount
Gross Proceeds from the Issue [#]	Upto 4,200
Less: Estimated Issue related Expenses	[●]
Net Proceeds from the Issue*	[●]

[#] Assuming full subscription and Allotment;

*The Issue size will not exceed ₹4,200 Lakhs. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount
1.	To augment the capital base of our company	[●]
2.	General Corporate Purposes [#]	[●]
	Total Net Proceeds*	[●]

[#]The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

*To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the BSE.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the Financial Year ending March 31, 2026
1.	To augment the capital base of our company	[●]	[●]
2.	General Corporate Purposes [#]	[●]	[●]
	Total Net Proceeds*	[●]	[●]

[#]The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

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

The above fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. Our Company's funding requirements and deployment schedule are subject to revision in the future at the discretion of our Board and will not be subject to monitoring by any independent agency. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change.

Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilized in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

For further details, please see the section titled *Risk Factors* beginning on page 23 of this Draft Letter of Offer.

In case of any increase in the actual utilisation of funds earmarked for any of the Objects of the Issue or a shortfall in raising requisite capital from the Net Proceeds, such additional funds for a particular activity will be met through means available to us, including by way of incremental debt and/or internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities including funding other existing Objects, if required and will be used towards general corporate purposes to the extent that the total amount to be utilized towards general corporate purpose will not exceed 25% of the Gross Proceeds from the Issue in accordance with applicable law.

MEANS OF FINANCE

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

DETAILS OF THE OBJECTS OF THE ISSUE

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

1. To augment the capital base of our company

We are a Non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBF (Non-Bank Financial Institution) activities under Section 45IA of the Reserve Bank of India Act, 1934. We are primarily engaged in the business of providing short term secured/ unsecured financing to individuals and small business.

We propose to augment our capital base by Rs. [●]/- Lakh through this Issue and utilize the funds raised to further increase the operational scale of its business of NBFC Activities.

Our Company proposes to expand its loan portfolio to the customers having good track record, if any, in terms of repayment of principal and interest thereon and who fulfils the eligibility criteria of Company for giving unsecured/secured loan.

2. General Corporate Purpose

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things

including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

EXPENSES FOR THE ISSUE

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

(Amount ₹ in Lakhs)

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Registrar to the Issue, Legal Advisor, Auditor's fees, Other expenses (including miscellaneous expenses and stamp duty) including out of pocket expenses etc.	[●]	[●]	[●]
Fees payable to regulators, including Registrar of Companies, Depositories, Stock Exchanges and other Miscellaneous Expense	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

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

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilized have been appraised by any bank or financial institution.

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company has not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

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

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 82(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulations, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulations, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through 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 Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

INTEREST OF PROMOTERS, PROMOTER GROUP AND DIRECTORS AS APPLICABLE TO THE OBJECTS OF THE ISSUE

The Promoters of our Company has undertaken to subscribe to the extent of his Rights Entitlement subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

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

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our directors, or Key Managerial Personnel. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.



SUDHIR AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

508, Arunachal Building, 19, Barakhmaba Road, New Delhi-110001
Tel. :01143592522 Mob. :9811021049
E-mail : sudhiricai@yahoo.com

STATEMENT OF POSSIBLE TAX BENEFITS

To,

The Board of Directors
PANAFIC INDUSTRIALS LIMITED
23, II Floor, North West Avenue,
Club Road, West Punjabi Bagh,
New Delhi-110026, India

Dear Sir,

Subject: Statement of possible tax benefits available to Panafic Industrials Limited ("the Company") and its shareholders under the Indian tax laws for the Proposed Rights Issue of equity shares of face value of Rs. 10 each ("Equity Shares") (herein referred to as the "Issue") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI Regulations")

In connection with the Issue by the Company, we report that the enclosed Annexure, prepared by the Company states the possible special tax benefits available to the Company and its shareholders under direct tax laws including the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2024 (hereinafter referred to as "Income Tax Laws"), i.e. applicable for Financial Year 2024-25 relevant to the Assessment year 2025-26 presently in force in India, available to the Company and its shareholders of the Company. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the possible special direct tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special direct 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. The preparation of the contents stated in the Annexure is the responsibility of the Company's Management. 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 direct tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest in the Issue based on this Annexure. The benefits discussed in the Annexure are only intended to provide the direct tax benefits to the Company and its shareholders in a general and summary manner and does not purports to be complete analysis or listing of all the provision or possible tax consequences of the subscription, purchase, ownership or disposal, etc. of the shares. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Annexure.

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



- (i) the Company or its shareholders will continue to obtain these benefits in future;
(ii) the conditions prescribed for availing the benefits have been/would be met with; and
(iii) the revenue authorities / courts will concur with the views express herein.
The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and the Letter of Offer ("Offer Documents") of the Company or in any other documents in connection with the Issue. We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI. This certificate is issued at specific request of the Company and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents in connection with the Issue, to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges. This report is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate. We hereby give consent to include this statement of possible special tax benefits available to the Company and its shareholders in the Offer Documents and in any other material used in connection with the Issue.

Yours faithfully,

**For Sudhir Agarwal & Associates,
Chartered Accountants
Firm Registration No. 509930C**

SUDHIR KUMAR AGARWAL
Digitally signed by
SUDHIR KUMAR
AGARWAL
Date: 2025.03.22
16:02:02 +0530'

**CA Sudhir Kumar Agarwal
Partner
M. No.: 088583**

Date: 22-03-2025
Place: New Delhi



ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO PANAFIC INDUSTRIALS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS

Outlined below are the possible special tax benefits available to Panafic Industrials Limited ("the Company") and its Shareholders 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"), i.e. applicable for Financial Year 2024-25 relevant to the Assessment year 2025-26 presently in force in India.

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders

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 2025-26;
- 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 VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL ECONOMIC OVERVIEW

The global economy is stabilizing, following several years of overlapping negative shocks. Despite elevated financing costs and heightened geopolitical tensions, global activity firmed in early 2024. Global growth is envisaged to reach a slightly faster pace this year than previously expected, due mainly to the continued solid expansion of the U.S. economy. However, the extent of expected declines in global interest rates has moderated amid lingering inflation pressures in key economies. By historical standards, the global outlook remains subdued: both advanced economies and emerging market and developing economies (EMDEs) are set to grow at a slower pace over 2024-26 than in the decade preceding the pandemic.

Domestic demand is projected to improve in many EMDEs this year, in line with a moderate cyclical recovery from the effects of high inflation, tight financial conditions, and anemic industrial activity. Aggregate EMDE growth is nonetheless poised to decelerate slightly mainly because of idiosyncratic factors in some large economies. Moreover, significant challenges persist in vulnerable economies—including in low-income countries (LICs) and those facing elevated levels of conflict and violence—where growth prospects have deteriorated markedly since January.

Global trade growth is recovering, supported by a pickup in goods trade. Services-trade growth is expected to provide less of a tailwind this year, given that tourism has nearly recovered to pre-pandemic levels. However, the trade outlook remains lacklustre compared to recent decades, partly reflecting a proliferation of trade-restrictive measures and elevated trade policy uncertainty.

Aggregate commodity prices have increased since late last year. Amid fluctuations, average oil prices are expected to be slightly higher in 2024 than in 2023, underpinned by a tight demand-supply balance in a context of continued geopolitical tensions. Nonetheless, average energy prices are projected to be marginally lower this year than last—reflecting notable declines in prices for natural gas and coal—while remaining well above pre-pandemic levels. Metals prices are expected to be little changed over the forecast horizon, as demand related to metals-intensive clean energy investments and a broader pickup in global industrial activity attenuate the impact on commodity demand of declining real estate activity in China. Well-supplied markets for grains and other agricultural commodities should see edible food crop prices decline modestly.

Inflation continues to wane globally, making progress toward central bank targets in advanced economies and EMDEs, but at a slower pace than previously expected. Core inflation has remained stubbornly high in many economies, supported by rapid growth of services prices. Over the remainder of 2024, continued tight monetary policy stances and slowing wage increases should help reduce inflation further. By the end of 2026, global inflation is expected to settle at an average rate of 2.8 percent, broadly consistent with central bank targets.

Emerging Economies Outlook

The World Economic Outlook (WEO) is a survey of prospects and policies by the IMF staff, usually published twice a year, with updates in between. It presents analyses and projections of the world economy in the near and medium term, which are integral elements of the IMF's surveillance of economic developments and policies in its member countries and of the global economic system.

Source: [International Monetary Fund, World Economic Outlook Update, January 2025](#)

INDIAN ECONOMIC OUTLOOK

Domestic economic activity remained buoyant in FY24, and the momentum continued in FY25. GST collection jumped to a high of ₹ 2.1 lakh crore in April 2024. The strong uptick was driven by an increase in domestic transactions and imports. The average GST collections have also displayed a level shift upwards over the years due to heightened economic activity and a widening tax base. Among lead demand indicators, toll collection registered continued growth in April 2024. Electricity consumption also accelerated in April due to rising temperatures and increased industrial activity. Vehicle registrations surged in April 2024, led by two-wheelers on the back of stable fuel prices and a positive outlook for monsoon. However, on account of seasonality, e-way bill generation softened compared to March 2024, but registered strong growth compared to the corresponding month last year. GST collection recorded a 12.4 per cent year-on-year (YOY) growth driven by strong YOY increase in domestic transactions (13.4 per cent) and imports (8.3 per cent). Volume of E-way bill generation moderated to 9.7 crore in April 2024 from 10.4 crore in March 2024, still registering a growth of 14.4 per cent over April 2023. In April 2024, India's power consumption surged by 11 per cent to 144.2 billion units compared to the previous year. Vehicle registration went up by 27 per cent YOY to 2.2 million in April 2024. Toll collections as reported under Electronic Toll collection (ETC) data reached ₹55.6 billion in April 2024, registering a growth of 8.3 per cent over the corresponding period last year.

Capital Expenditure:

According to the data released by the Controller General of Accounts, capital expenditure by the Union Government from April 2023 to February 2024 stood at ₹8.1 lakh crore, 36.5 per cent higher compared to the corresponding period of the previous year. Increased capital expenditure by the Union Government has led to an improvement in the quality of Government spending, as reflected in the decline in the revenue expenditure to capital outlay ratio. The ratio declined from 7.1 in FY20 (April-February) to 3.7 in FY24 (April-February). The increased spending on capex has also incentivized States to increase their capital spending. Capital expenditure by 22 major States grew by 26.6 per cent during April 23-February 24, versus 13.3 per cent in the corresponding period of the previous year.

Increased Government investment activity has also resulted in crowding-in of private investment. Capital the Goods and Construction/Infrastructure Goods indices of the Index of Industrial Production (IIP) were 6.2 per cent and 9.6 per cent higher during FY24 compared to the previous year. Though imports of capital goods in FY24 were marginally lower than that in the previous year, their share in overall imports increased from 11.8 per cent in FY23 to 12.4 per cent in FY24, indicating a continued build-up of productive capacity in the economy.

The CMIE data on new investment announcements serves as an indicator for corporate capex plans. These figures represent intentions, which may or may not materialise, but they do mirror the sentiments and expectations of the companies. The overall scenario is promising, with a significant improvement compared to the pre-COVID era, despite the intentions being lower than the previous year. In FY24, the private sector announced new investment projects worth ₹23.5 lakh crore, much higher than the past five years' average of ₹14.4 lakh crore. Despite new investment projects announced by the private sector being lower in FY24 compared to the previous year, the investment projects completed by the private sector witnessed a significant uptick to ₹3.1 lakh crore in FY24 from ₹2.7 lakh crore in FY23.

The upbeat investment environment is accompanied by increased capacity utilisation in the manufacturing sector, as seen in the RBI's quarterly Order Books, Inventory and Capacity Utilisation Survey (OBICUS) for Q3 of FY24.2 The aggregate capacity utilisation in the manufacturing sector picked up significantly from 74 per cent in Q2 to 74.7 per cent in Q3 of FY24. Manufacturing companies received a larger number of orders during this quarter as compared to the corresponding quarter of the previous year.
 (Source: <https://dea.gov.in/monthly-economic-report-table>)

INTRODUCTION TO INDIAN FINANCIAL SERVICE INDUSTRY

Introduction

The Non-Banking Financial Companies (NBFCs) sector in India plays a crucial role in the financial ecosystem of the country. Over the past decade, NBFCs have significantly increased their share in the credit portfolio, growing from one-sixth of the total bank credit in 2013 to more than one-fourth now. This steady growth reflects the sector's ability to reach underserved sectors, particularly small businesses, and households, offering customer friendly credit solutions.

By leveraging technology, NBFCs have expedited and streamlined their credit delivery processes, positioning themselves as a preferred option for multiple individuals, groups and companies. However, this rapid expansion has also introduced systemic risks, prompting increased engagement and oversight from the Reserve Bank of India (RBI).

Structure of NBFIs under the Reserve Bank's Regulation

The RBI categorizes NBFCs based on their asset and liability structures into two main types: deposit-taking NBFCs (NBFCs-D) and non-deposit taking NBFCs (NBFCs-ND). Among the non-deposit taking NBFCs, those with an asset size of ₹500 crore or more are designated as systemically important (NBFCs ND-SI), while those with smaller asset sizes fall into a general category of other NBFCs-ND.

With the introduction of the scale-based regulation (SBR) framework, NBFCs are further classified into layers to reflect their systemic importance and complexity. Under this structure:

- NBFC-BL (Base Layer) includes NBFCs-ND that are not systemically important.
- NBFC-ML (Middle Layer) includes both systemically important NBFCs-ND (NBFCs ND-SI) and deposit-taking NBFCs (NBFCs-D).
- NBFC-UL (Upper Layer) includes larger and more complex NBFCs that are systemically significant (see Chart 1).

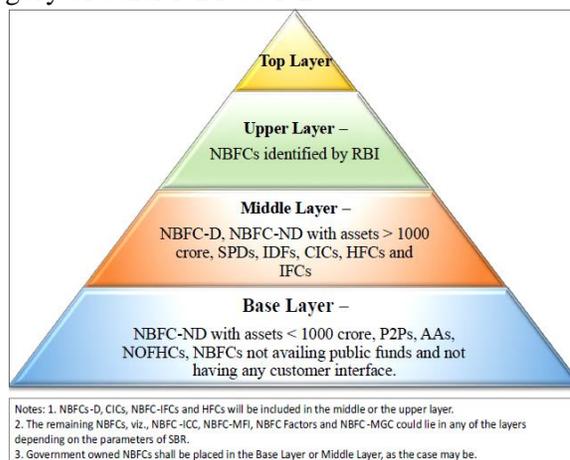
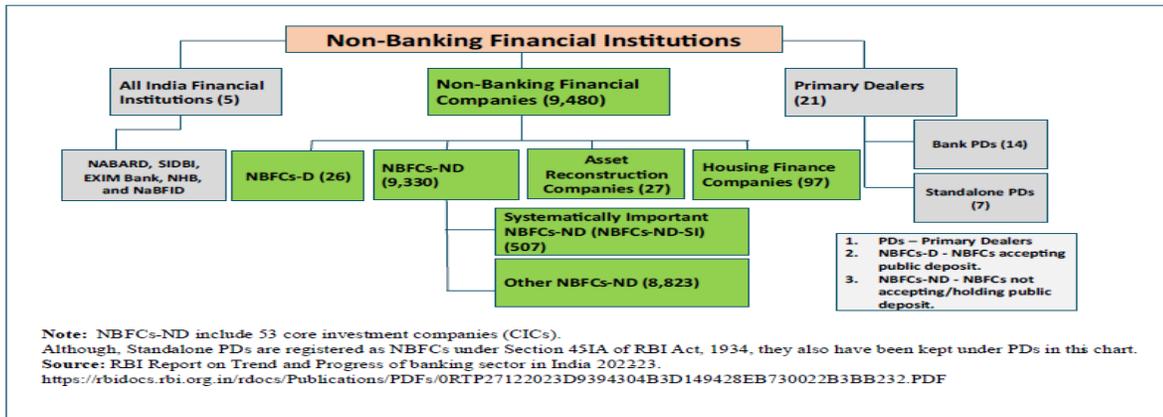


Chart 1: Scale-Based Regulation for NBFCs

In this revised framework, traditional references to NBFC-ND, NBFC-ND-SI, and NBFCD are now represented by NBFC-BL, NBFC-ML, and NBFC-UL, respectively. This layered regulatory approach is designed to align oversight with the scale and complexity of NBFC operations (see Chart 2).



Source: RBI

Chart 2: Structure of NBFIs under the Reserve Bank’s Regulation (as of Sept. end, 2023)

NBFC’s Growth Outlook

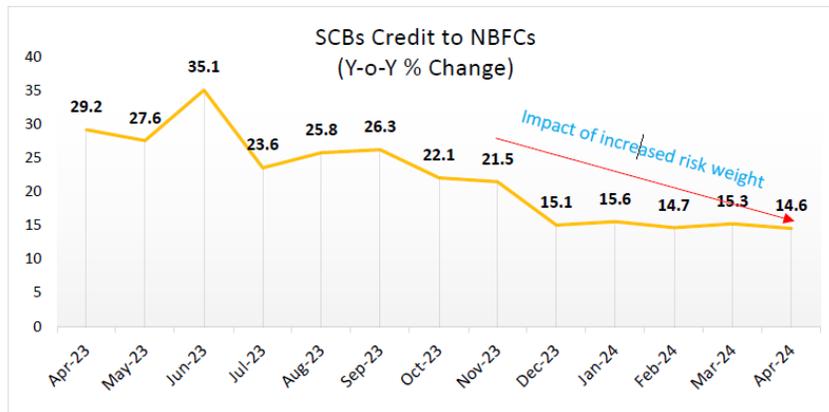
The largest 20 NBFCs hold strong market positions and have long histories of providing specialized loans, such as housing finance and commercial vehicle loans. The robust economic growth, which the RBI Governor predicts will push India’s growth rate to 7.2 percent in the current financial year, is expected to fuel strong credit demand and support the NBFC sector's profitability. This growth, coupled with current regulatory measures, will help mitigate the risk of rising credit costs on profitability. NBFCs have demonstrated strong financial health, similar to the banking sector. As of the end of March 2024, the gross non-performing assets (GNPAs) of both scheduled commercial banks (SCBs) and NBFCs were below 3 per cent of total advances. Provisional data shows that the GNPA ratio for NBFCs stood at 2.5 per cent at the end of March 2024. Capital adequacy for NBFCs remained comfortable, and asset quality improved as of the end of September 2023. Profitability indicators, such as Return on Assets (RoA) and net interest margin (NIM), remained strong, and the cost-to-income ratio improved. This sustained robust credit growth was supported by a strong demand for retail credit.

Status of Credit in NBFCs Sector

In the last quarter of FY24, Scheduled Commercial Banks (SCBs) in India saw a 19.3 percent year-on-year growth in credit offtake, reaching ₹164.3 lakh crore, driven by increased personal loans, lending to NBFCs, and recent HDFC merger.

Credit to NBFCs

The outstanding bank credit to NBFCs stood at ₹15.54 trillion in April 2024. Bank funding to NBFCs grew by 14.6 per cent on a Y-o-Y basis in April 2024, compared to 29.2 per cent in April 2023, according to the RBI data. The RBI increased risk weights on unsecured consumer credit and bank credit to NBFCs on November 16, 2023, to pre-empt buildup of any potential risk in these segments. Consequently, credit growth in unsecured personal loans, such as, ‘credit card outstanding’ declined from 34.2 per cent in November 2023 to 23.0 per cent in April 2024, while bank credit growth to NBFCs declined from 21.5 per cent in November 2023 to 14.6 per cent in April 2024 (see Chart 3).

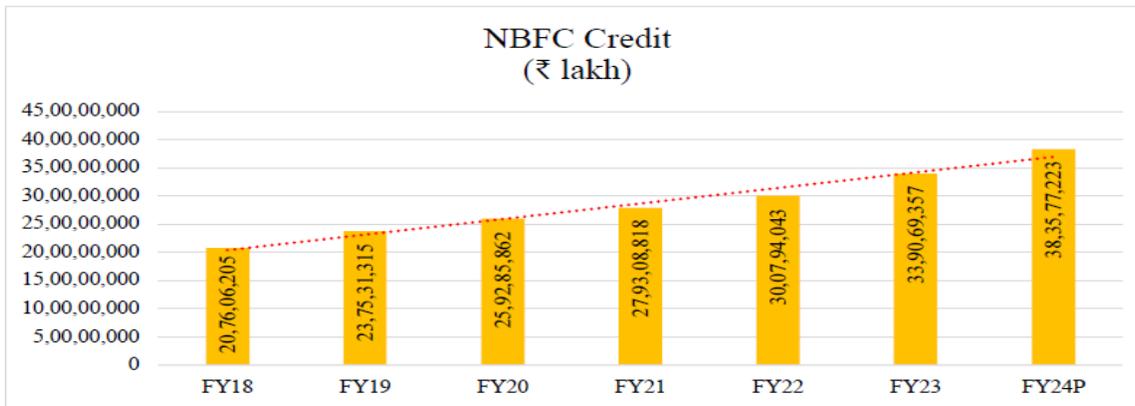


Sources: RBI | CMIE

Chart 3: Outstanding Credit of SCBs to NBFCs

NBFC-credit Growth

Between September 2022 and September 2023, the NBFC sector experienced a significant upward trend in credit growth, with gross advances increasing by 20.8 per cent compared to 10.8 per cent the previous year. This growth was predominantly driven by a substantial rise in personal loans, which grew by 32.5 per cent, and lending to the agriculture industry, which saw a 43.7 per cent increase. Over the past four years, the personal loans category surged by a compound annual growth rate (CAGR) of 33 per cent, significantly outpacing the overall credit growth of nearly 15 per cent CAGR. (see Chart 4)

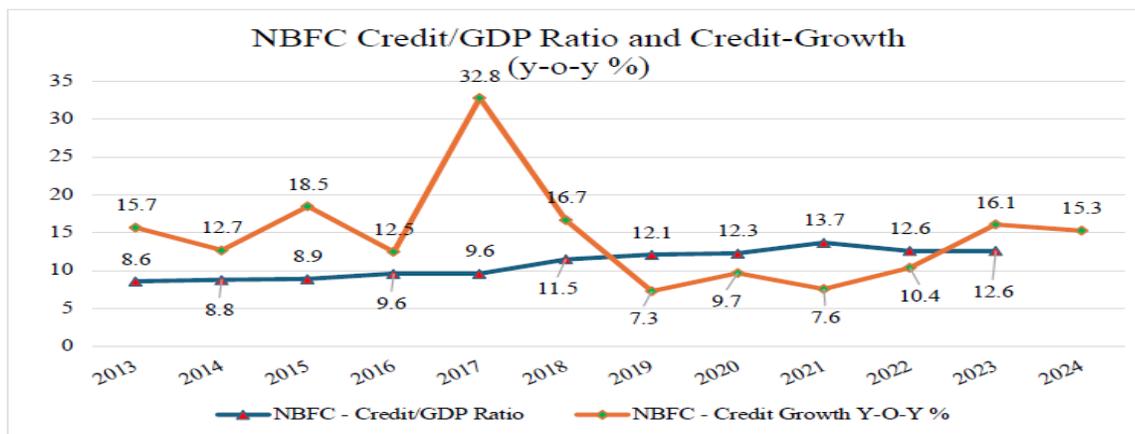


Note: P – Provisional. Source: RBI

Chart 4: NBFC-credit Growth Trend

NBFC's Credit to GDP Ratio

NBFCs have consolidated their position in recent years, as reflected in a gradual rise in their credit intensity (credit to Gross Domestic Product (GDP) ratio) as well as the relative importance in credit provision vis-à-vis scheduled commercial banks (SCBs). As of March 2023, NBFCs credit to GDP ratio stood at 12.6 per cent and the sector has grown to become 18.7 per cent of banking sector assets as of March 2023 as compared to 13 per cent ten years ago (March 2013) (see Chart 5).



Source: RBI | Infomeries Economics Research

Chart 5:

NBFC Credit/GDP Ratio and NBFC Growth

Institutional and Regulatory Initiatives for NBFCs

The RBI has warned micro-lenders and non-bank financiers against usurious lending practices, particularly targeting small-ticket borrowers. Despite general compliance with guidelines on Key Facts Statements (KFS), some regulated entities still impose undisclosed fees and high-interest rates. The RBI Governor Shaktikanta Das emphasised that customer protection remains a top priority for the Reserve Bank, highlighting the need for transparent and fair lending practices in the microfinance sector and among non-banking financial companies (NBFCs).

The Finance Industry Development Council (FIDC), representing non-banking financial companies (NBFCs), has urged the Reserve Bank of India (RBI) to review its recent draft circular on infrastructure provisioning. NBFCs demand flexibility in supporting the sector, particularly regarding standard asset provisions during the construction phase. The draft proposes maintaining a general provision of 5 per cent of the funded outstanding for all existing and stressed exposures on a portfolio basis, a measure FIDC seeks to amend.

The Council suggests retaining the standard provision rate of 0.4 per cent, with enhanced provisions reserved for projects extending their Date of Commencement of Commercial Operations (DCCO). Clarity on applicability and minimum financing limits is also sought by FIDC.

Recently, NBFCs have explored new avenues to access funding, diversifying their sources beyond traditional channels. Co-lending partnerships with banks, facilitated by the RBI's regulatory framework, have emerged as a significant source of funds for NBFCs. These collaborations enable NBFCs to leverage the low-cost funds available with banks to deliver credit to the underserved segments.

The foreign direct investment inflows into the NBFC sector have surged in recent years, driven by favourable regulatory policies and India's robust economic growth prospects. Venture capital and private equity firms have also shown keen interest in investing in NBFCs, recognising their potential to tap into underserved markets and drive financial inclusion.

The RBI has asked NBFCs to restrict cash loans to ₹20,000, according to media reports. This comes after the regulator took action against IIFL Finance for several violations including disbursement and collection of loans in cash over the statutory limit.

The RBI has adopted a hybrid regulatory approach for NBFCs, combining activity-based and entity-based regulations to safeguard financial stability and protect customers. This method leverages the strengths of both approaches to achieve a comprehensive and flexible regulatory framework, suitable for the evolving NBFC sector. Entity-Based Regulations: Entity-based regulations offer a holistic view of overall risk

exposure for specific financial institutions, addressing systemic risks arising from various activities within a single entity. These regulations are generally easier to implement and enforce, as they apply uniformly to a set of entities. But they may be less precise in targeting specific activities and slower to adapt to changes.

Activity-Based Regulations: Activity-based regulations allow for precise targeting of risky financial activities, regardless of the type of institution involved. This approach can result in a fragmented regulatory landscape, making oversight more complex, and systemic risks from multiple activities may remain undetected. To avoid regulatory arbitrage, the principle of same risk, same activity, same regulation is advocated but needs to be calibrated for effective yet non-stifling regulations.

Regulatory Approach: The RBI has developed a nuanced approach, recognizing the specialized activities of NBFCs, each carrying unique risks. This approach balances prudential regulations, focusing on solvency and financial stability, with conduct of business regulations, ensuring fair practices towards customers. The current regulatory landscape combines entity and activity-based approaches under these two pillars.

(Source: <https://www.infomerics.com/admin/uploads/NBFC-Sector-Outlook-July2024.pdf>)

FINANCIAL SECTOR IN INDIA

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

As of July 2024, AUM managed by the mutual funds industry stood at Rs. 64.97 lakh crore (US\$ 780.70 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

Leading AMC's in India (Fourth quarter of 2024)	
Top 5 AMC's in India	AUM (US\$ billion)
SBI Mutual Fund	109.96
ICICI Prudential Mutual Fund	85.45
HDFC Mutual Fund	74.15
Kotak Mutual Fund	74.15
Nippon India Mutual Fund	52.04

Source: Economic Times

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 5,415 as of June 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 July 2024, Unified Payments Interface (UPI) recorded 14.40 billion transactions worth Rs. 20.44 lakh crore (US\$ 245.61 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 HNWIs 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 June 2024 is Rs. 1 = US\$ 0.012

References: Media Reports, Press Releases, IRDAI, General Insurance Council, Reserve Bank of India, Union Budget 2023-24

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

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OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included and other information included in this Draft Letter of Offer, including the information contained in the section titled '*Risk Factors*', beginning on page 23 of this Draft Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Draft Letter of Offer, all references to we, us, and our Company are Panafic Industrials Limited as the case may be.

Business Overview

Our Company was incorporated on January 01, 1985 under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. Our Company had obtained Certificate for Commencement of Business on January 16, 1985 from the Registrar of Companies, NCT of Delhi & Haryana. Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI bearing registration number 'B. 14.03057' dated 07.03.2005 to carry on NBFI business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company.

The main object of the business of the Company is to finance Industrial Enterprises by way of making loans or advances and to carry on the business of trading, leasing, and hire purchase of all types of industrial and office plant, equipment, machinery, buildings, computers and all types of consumer, commercial or industrial items.

Our Company is promoted by Mrs. Sarita Gupta, Mr. Rajeev Kumar Gupta, Mrs. Saroj Gupta and Mr. Anil Gupta. As a Non-Banking Financial Company, we are involved in providing financial services with focus in corporate and non-corporate sector and retail customers.

BUSINESS MODEL

Our Company's business model is centered around lending activities such as granting of loans and advances. As an NBFC, we operate in the business of providing corporate and non-corporate sector and retail customers. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with the business, project, proposal for which loan has been sought.

OUR FINANCIAL PRODUCTS

The various financial products that we offer are as follows:

1. Short term financing

Our Company provides short-term loans for a tenure if less than 3 years for short-term financing needs.

2. Long term Loans

Our Company provides long-term loans to corporate and non-corporates for a tenure of more than 3 years to meet long-term financing needs.

COMPETITIVE STRENGTHS COMPETITIVE STRENGTHS

1. Strong professional and experienced execution/ management team allows the Company to develop a strong business

Our Company's business is supported by an experienced and professional management team with strong background in financial services. Our management team is backed by our Promoters who are having good experience in varied business. We believe that the relevant experience of our management and KMPs would provide us a competitive advantage as compared to other unorganized players in the financial sector.

2. Focus on a disciplined business philosophy with internal controls and risk management

Our Company is focused on providing short term and medium-term loans. Our Company does not give industry specific loans but gives weightage to the borrowers' repayment capacity. Our Company believes that it has necessary internal controls and risk management systems to assess and monitor risks. Our management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's portfolio. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

OUR STRATEGIES

Our key strategic priorities are as follows:

1. Leverage on our experience and relationships

We have steadily grown our business in recent years. We intend to continue to leverage our experience and relationships with our customers to expand and diversify.

2. Focus on customer services by efficient use of technology

We believe that customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

3. Maintain and expand long term relationship with client

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period. Our Company believes that a long-term relationship with clients fetches better dividends.

4. Attract and retain experienced professionals

Our Company believes in recruiting qualified professionals with experience in financial services sector, credit evaluation, risk management, technology, and marketing.

Approach to Marketing

Our leadership has earned the trust of corporate clients and stakeholders. We actively seek customer feedback to improve our services and maintain strong communication to nurture relationships. This approach helps us strengthen existing partnerships while exploring new business opportunities. We maintains ongoing communication with our clients, both to nurture existing relationships and to seek opportunities for new partnerships with potential customers.

Insurance

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

Plant and Machinery

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

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

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

Property

As on the date of the Draft Letter of Offer our Company does not hold any property on ownership basis.

Intellectual Property

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

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OUR MANAGEMENT

BOARD OF DIRECTORS

The composition of the Board is governed and in conformity with by the provisions of the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. In accordance with the Articles of Association, unless otherwise determined by our Company in general meeting, our Company shall not have less than 3 (three) Directors and not more than 15 (Fifteen) Directors.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each Annual General Meeting (AGM). A retiring director is eligible for re-election. Further, pursuant to the Companies Act, 2013, the Independent Directors may be appointed for a maximum of two consecutive terms of up to five consecutive years each and thereafter have a cooling off period of three years prior to being eligible for re-appointment. Any re-appointment of Independent Directors shall be on the basis of, inter alia, the performance evaluation report and approval by the shareholders of our Company, by way of a special resolution.

As on the date of this Draft Letter of Offer, our Company has 4 (four) Directors, comprising of 2 (two) Independent Directors.

The following table provides details regarding the Board of Directors of our Company as of the date of filing this Draft Letter of Offer:

Name, Designation, Address, Occupation, Age, Nationality, Date of Birth, Terms and DIN	Date of Appointment/ Re appointment	Other directorships
<p>MS. SARITA GUPTA DIN: 00113099 DOB: April 24, 1972 Age (Years): 52 Years Qualifications: Undergraduate Experience: Over 10 years Address: D-158, Pushpanjali Enclave, Pitam Pura, New Delhi -110034 Occupation: Business Term: Five (5) years with effect from August 28, 2024 Period of Directorship: Director since July 17, 2014</p>	<p>Appointed as Additional Director w.e.f. July 17, 2014 Regularised as Director w.e.f. September 30, 2014 Change in Designation from Director to MD w.e.f. August 28, 2017 Change in Designation from MD to Director w.e.f. August 01, 2024 Change in Designation from Director to MD w.e.f. September 26, 2024</p>	<ul style="list-style-type: none"> • Ethnic India Exim Private Limited • Jobs 2 Gain India Private Limited • AK Designers Studio Private Limited • North Pole Agrotech Private Limited • Purias Finlease India Limited
<p>MS. RENU DIN: 03572788 DOB: March 01, 1981</p>	<p>Appointed as Director w.e.f. September 30, 2014</p>	<ul style="list-style-type: none"> • AK Designers Studio Private Limited • Wurkr Private Limited • Iris Computers Limited

<p>Age (Years): 44 Years</p> <p>Qualifications: Master of Arts (Political Science), Post Graduate Diploma in Management</p> <p>Experience: Over 10 Years</p> <p>Address: H-3/210-211, Block H, Kunar Singh Nagar, Nangloi, Delhi-110041</p> <p>Occupation: Business</p> <p>Term: reappointed on September 26, 2024.</p> <p>Period of Directorship: Director since September 30, 2014</p>		<ul style="list-style-type: none"> • AM Holding Private Limited
<p>MR. BASUVAIAH DURAI SWAMY</p> <p>DIN: 09258691</p> <p>DOB: February 05, 1961</p> <p>Age (Years): 64 years</p> <p>Qualifications: Master of Pharmacy, Doctor of Philosophy in Pharmacy</p> <p>Experience: Over 30 years of experience in Research and Development</p> <p>Address: 140, Vijay Nagaram Gardens, Near Rose Garden, Udhagamandalam, The Nilgiris, Tamil Nadu-643001</p> <p>Occupation: Business</p> <p>Term: Five (5) Consecutive years from the original date of appointment, i.e., July 29, 2024</p> <p>Period of Directorship: Director since July 29, 2024</p>	<p>Appointed as Additional Director w.e.f. July 29, 2024</p> <p>Regularised as Independent Director w.e.f. September 26, 2024</p>	<ul style="list-style-type: none"> • California Software Company Limited
<p>MR. R. S. CHANDAN</p> <p>DIN: 08849851</p> <p>DOB: August 22, 1973</p> <p>Age (Years): 51 years</p> <p>Qualifications: Master of Pharmacy, Doctor of Philosophy in Bio Technology</p>	<p>Appointed as Additional Director w.e.f. July 29, 2024</p> <p>Regularised as Independent Director w.e.f. September 26, 2024</p>	<ul style="list-style-type: none"> • California Software Company Limited

<p>Experience: Over 25 years of experience in Education & Training</p> <p>Address: 20, Dr. Rajkumar Road, JSS Layout, Mysore – 570011</p> <p>Occupation: Business</p> <p>Term: Five (5) Consecutive years from the original date of appointment, i.e., July 29, 2024</p> <p>Period of Directorship: Director since July 29, 2024</p>		
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Brief profile of the Directors of our company

Ms. Sarita Gupta, aged 52 years, has been serving as the Managing Director of the Company since July 17, 2014. She holds an undergraduate qualification and has been actively involved in assisting other directors in ensuring effective company operations. In addition to her role in the company, she holds directorships in Ethnic India Exim Private Limited, Jobs 2 Gain India Private Limited, AK Designers Studio Private Limited, North Pole Agrotech Private Limited, and Purias Finlease India Limited.

Ms. Renu, aged 44, has been serving as a Director of the Company since September 30, 2014. She holds a Master of Arts in Political Science and a Post Graduate Diploma in Management. she holds directorships in AK Designers Studio Private Limited, Wurkr Private Limited, Iris Computers Limited, and AM Holding Private Limited.

Mr. Basuvaiah Duraiswamy, aged 64 years, has been serving as a Director of the Company since July 29, 2024. He holds a Master of Pharmacy and a Ph.D. in Pharmacy. With over 30 years of experience in Research and Development, he brings valuable expertise in strategic planning and operational efficiency. He actively contributes to the company's governance, supporting other directors in ensuring regulatory compliance, risk management, and sustainable business growth.

Mr. R. S. Chandan, aged 51 years, has been serving as a Director of the Company since July 29, 2024. He holds a Master of Pharmacy and a Ph.D. in Biotechnology. With over 25 years of experience in education and training, he brings valuable expertise in regulatory compliance and risk assessment. He actively supports the company's governance framework, contributing to strategic decision-making, operational efficiency, and sustainable business growth. In addition to his role in the company, he also holds a directorship in California Software Company Limited.

Confirmations

Past Directorships in suspended Companies

None of our Directors are, or were a director of any listed company, whose shares have been, or none of our directors were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Draft Letter of Offer.

Past Directorships in delisted Companies

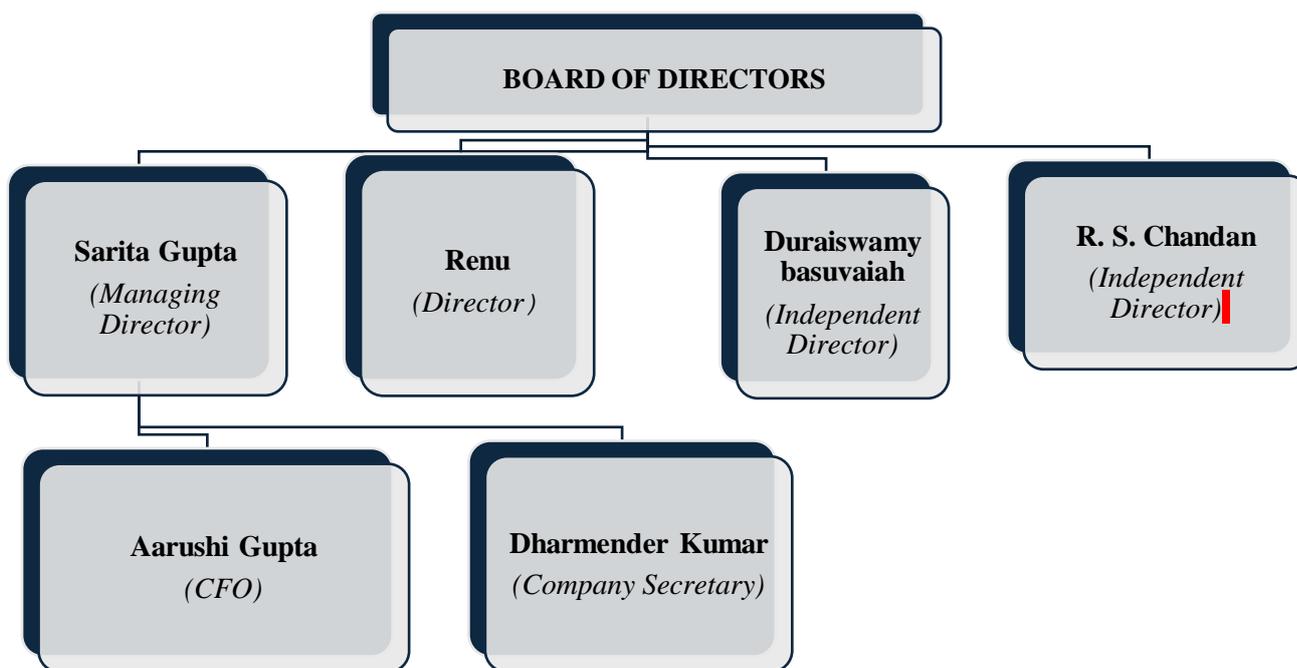
None of our Directors are or were the director of any listed company, which has been, or none of our directors were delisted from any stock exchange during the term of their directorships in such company during the last 10 (Ten) years preceding the date of this Draft Letter of Offer.

Other Confirmations

Our Company has not entered into any service contracts with our Directors, which provide for benefits upon termination of their directorships.

We confirm that as on the date of this Draft Letter of Offer, there are no arrangements or understanding with the major shareholders, customers, suppliers, pursuant to which any of our Directors were appointed on the Board of Directors as a member of the senior management.

Management Organisation Structure



Corporate Governance

Since the paid-up capital of the Company is less than Rs. 10 Crore and the net worth of the Company is less than Rs. 25 Crore, the provisions of 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, & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, are not applicable to the Company.

Our Board has been constituted in compliance with the Companies Act, 2013, the rules prescribed thereunder, the SEBI Listing Regulations and the Articles of Association. Our Board functions either as a full board or through various committees constituted to oversee specific functions.

Key Managerial Personnel and Senior Management

In addition to our Managing Director and Whole-time Director, whose details have been provided under paragraph above titled 'Brief profile of the Directors of our company', set forth below are the details of our Key Managerial Personnel and Senior Management as on the date of filing of this Draft Letter of Offer:

Name	Designation	Designation
Dharmender Kumar	Company Secretary	Key Managerial Personnel
Aarushi Gupta	Chief Financial Officer (CFO)	Key Managerial Personnel

OUR PROMOTER

The details of our Promoter, as on date of this Draft Letter of Offer, has been provided below:

S. No.	Name	No. of shares
1	Ms. Sarita Gupta	12,33,310
2	Ms. Saroj Gupta	1,38,429
3	Mr. Anil Gupta	1,16,325
4	Mr. Rajeev Kumar Gupta	10,230
	Total	14,98,294

Brief profile of promoters

Ms. Sarita Gupta, with over 10 years of business experience, serves as the Promoter and Managing Director of the Company. She plays a key role in strategic growth and operational efficiency. She also holds directorships in Ethnic India Exim Private Limited, Jobs 2 Gain India Private Limited, AK Designers Studio Private Limited, North Pole Agrotech Private Limited, and Purias Finlease India Limited.

Ms. Saroj Gupta, aged 52 years, is a Promoter of the Company. With a background in homeopathy, she brings a unique perspective to business operations and organizational development. Her experience contributes to strategic planning, governance, and sustainable growth, playing a supportive role in decision-making and the long-term vision of the Company in the NBFC sector.

Mr. Anil Gupta, aged 60 years, is a Promoter of the Company. A Fellow Chartered Accountant since 1994, he has vast experience in managing commercial, financial, and accounting matters across various sectors. His deep expertise in financial governance, risk management, and strategic planning strengthens the company's operational efficiency and long-term growth in the NBFC sector.

Mr. Rajeev Kumar Gupta, aged 53 years, is a Promoter of the Company. An Associate of the Institute of Cost Accountants of India since 2019, he brings expertise in cost management, financial planning, and regulatory compliance. His insights support the company's strategic decision-making, risk management, and sustainable growth in the NBFC sector.

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SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Page No
1.	Restated Financial Statements as at and for the year ended March 31, 2024, March 31, 2023, March 31, 2022 and for the period ended December 31, 2024	71-106

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SUDHIR AGARWAL & ASSOCIATES

CHARTERED ACCOUNTANTS

508, Arunachal Building, 19, Barakhmaba Road, New Delhi-110001
Tel. :01143592522 Mob. :9811021049
E-mail : sudhircai@yahoo.com

INDEPENDENT AUDITORS' REPORT ON RESTATED FINANCIAL INFORMATION

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To
The Board of Directors
Panafic Industrials Limited

Dear Sirs,

- 1 We have examined the attached Restated Financial Information of PANAFIC INDUSTRIALS LIMITED (hereunder referred to "the Company", "Issuer") comprising the Restated Statement of Assets and Liabilities as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statement of Profit & Loss (including other comprehensive income), the Restated Statement of Changes in Equity and the Restated Statement of Cash Flows for the nine months period ending on December 31, 2024, and for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 the Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Financial Information and other explanatory information thereto (Collectively the Restated Financial Information) as approved by the Board of Directors in their meeting held on 22 March, 2025 for the purpose of inclusion in the Offer Document, prepared by the Company in connection with its Right Issue of Equity Shares, prepared by the company in terms of the requirement of: -
- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
 - Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
 - The Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Managements' Responsibility for the Restated Financial Information:

- 2 The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, National Stock Exchange of India Limited ("Stock Exchange") and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed Right Issue. The Restated Financial Information have been prepared by the management of the Company for the nine months period ending on December 31, 2024 and for the years ended on March 31, 2024, March 31, 2023, and March 31 2022 on the basis of preparation stated in ANNEXURE - IV to the Restated Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, SEBI ICDR Regulations and the Guidance Note.

Auditors' Responsibility

- 3 We have examined such Restated Financial Information taking into consideration:
- The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated February ____, 2025 in connection with the proposed Right Issue of the Company;
 - The Guidance Note. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
 - Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - The requirements of Section 26 of the Act and the SEBI ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the proposed Right Issue;



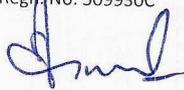
Restated Financial Information as per audited Financial Statements

- 4 These Restated Financial Information have been compiled by the management from:
- Audited interim financial statements of the Company as at and for the nine months period ended December 31, 2024 prepared in accordance recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India ("Interim Financial Statements") which have been approved by the Board of Directors at their meeting held on March 22, 2025 and duly audited by us. The comparative information as at and for the year ended March 31, 2024 included in such interim financial statements are derived from the audited financial statements of the Company as at and for the year ended March 31, 2024, prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which was approved by the Board of Directors at their meeting held on May 30, 2024.
 - Audited financial statements of the Company as at and for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") notified under the section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended and other accounting principles generally accepted in India, which have been approved by the Board of Directors at meeting held on May 30, 2024, May 30, 2023 and May 30, 2022 respectively and duly audited by us.
- 5 For the purpose of our examination, we have relied on our audit report dated March 22, 2025 issued on the interim financial statements of the Company as at and for the nine months period ended December 31, 2024; and audit reports dated May 30, 2024, May 30, 2023 and May 30, 2022 on the annual financial statements of the company as at and for the year ended March 31, 2024, 2023 and 2022, respectively issued by us, as referred in para 4 above.
- 6 In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, the ICDR Regulations and the Guidance Note, we report that:
- The Restated Statement of Assets and Liabilities of the Company, including as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Significant Accounting Policies and Notes on Restated Financial Information.
 - The Restated Statement of Profit & Loss of the Company, including for the nine months period ending on December 31, 2024, and for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Significant Accounting Policies and Notes on Restated Financial Information.
 - The Restated Statement of Cash Flows of the Company, including for the nine months period ending on December 31, 2024, and for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Significant Accounting Policies and Notes on Restated Financial Information.
 - The Restated Statement of Changes in Equity of the Company, including for the nine months period ending on December 31, 2024, and for the years ending on March 31, 2024, March 31, 2023 and March 31, 2022 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Significant Accounting Policies and Notes on Restated Financial Information.
- 7 At the request of the company, we have also examined the following financial information ("Other Financial Information") proposed to be included in the offer document prepared by the management and approved by the board of directors of the company and annexed to this report:
- Note I.1 - Restated Statement of Cash and cash equivalents
 - Note I.2 - Restated Statement of Investments
 - Note I.3 - Restated Statement of Loans
 - Note I.4 - Restated Statement of Trade Receivable
 - Note I.5 - Restated Statement of Deferred tax assets
 - Note I.6 - Restated Statement of Property, plant and equipment
 - Note I.7 - Restated Statement of Other non-financial assets
 - Note I.8 - Restated Statement of Trade payables
 - Note I.9 - Restated Statement of Borrowings
 - Note I.10 - Restated Statement of Other financial liabilities
 - Note I.11 - Restated Statement of Other non-financial liabilities
 - Note I.12 - Restated Statement of Equity share capital
 - Note I.13 - Restated Statement of Other equity
 - Note II.1 - Restated Statement of Revenue from operations
 - Note II.2 - Restated Statement of Finance cost
 - Note II.3 - Restated Statement of Impairment on financial instruments
 - Note II.4 - Restated Statement of Employee benefits expenses



- (r) Note II.5 - Restated Statement of Depreciation and amortisation expenses
(s) Note II.6 - Restated Statement of Other expenses
(t) Note II.9 - Restated Statement of Earnings per Share
(u) Annexure VI and Annexure VI.1 - Restated Statement of Accounting Ratios
(v) Annexure VII - Restated Statement of Capitalisation
(w) Annexure VIII - Restated Statement of Tax Shelters
- 8 Based on our examination and according to the information and explanations given to us and based on the para 5 above, we report that the Restated Financial Information:
- (a) has been prepared after incorporating adjustments, if any, for the changes in accounting policies and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2024, 2023 and 2022 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the nine months period ended December 31, 2024;
- (b) there were no qualifications in Auditor's Report on the Audited Financial Statements of the Company for the year ended March 31, 2024, 2023 and 2022 and for the nine months period ended December 31, 2024 which require any adjustments to the Restated Financial Information; and
- (c) have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.
- 9 The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on audited Financial Statements mentioned in para 4 above.
- 10 This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
- 11 We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 12 Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Stock Exchange and Registrar of Companies, Delhi and Haryana at New Delhi in connection with the proposed Right Issue. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For Sudhir Agarwal & Associates
Chartered Accountants
Firm Regn. No. 509930C



Sudhir Kumar Agarwal
Partner
Membership No. 088583

UDIN: 25088583BNFZ008309



New Delhi, the 22nd day of March 2025

Annexure- I
 Restated Statement of Assets and Liabilities

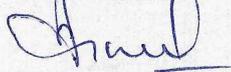
(Amount "Rs. in Lakhs", unless otherwise stated)

	Note No.	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
I. Assets					
<u>Financial assets</u>					
(a) Cash and cash equivalents	1.1				
(b) Investments	1.2	10.17	11.67	124.77	67.51
(c) Loans	1.3				99.33
(d) Other financial assets	1.4	1,642.58	957.05	848.70	830.66
<u>Non-financial assets</u>					
(a) Current tax assets (net)				2.00	9.70
(b) Deferred tax assets (net)	1.5				
(d) Property, plant and equipment and intangible assets	1.6	13.37	13.63	13.79	0.05
- Property, plant and equipment					13.93
(d) Other non-financial assets	1.7	1.23	1.23	1.90	2.92
Total Assets		7.98	7.78	9.89	6.79
II. Liabilities and Equity					
<u>Financial liabilities</u>					
(a) Trade payables	1.8				
- Total outstanding dues of micro enterprises and small enterprises; and					
- Total outstanding dues of creditors other than micro enterprises and small enterprises		20.94	2.55	4.02	0.68
(b) Borrowings (other than debt securities)	1.9				
(c) Other financial liabilities	1.10	663.62		0.72	3.81
<u>Non-financial liabilities</u>					
(a) Current tax liabilities (net)		0.12	0.66	5.71	7.20
(b) Other non-financial liabilities	1.11	0.46	0.14	0.14	
<u>Equity</u>					
(a) Share capital	1.12	821.25	821.25	821.25	821.25
(b) Other equity	1.13	168.94	166.76	164.61	197.95
Total Equity and Liabilities		1,675.33	991.36	1,001.05	1,030.89

The above statements should be read with the Significant accounting policies and notes on Restated Financial Informations appearing in Annexure IV.

As per our report of even date attached

For Sudhir Agarwal & Associates
 Chartered Accountants
 Firm Regn. No. 509930C



Sudhir Kumar Aggarwal
 Partner

Membership No. 088583

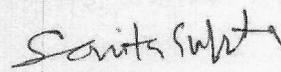
UDIN: 25088583BNFZ008309

Date: 22.03.2025

Place: New Delhi



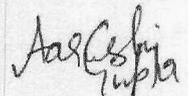
For and on behalf of the Board of Directors of
 Panafic Industrials Limited



Sarita Gupta
 Managing Director
 DIN: 00113099



Renu
 Director
 DIN: 3572788



Aarushi Gupta
 Chief Financial Officer
 PAN: BKAPG5887L



Dharmender Kumar
 Company Secretary
 PAN: AEGPK3526F

Annexure- II
Restated Statement of Profit & Loss

(Amount "Rs. in Lakhs", unless otherwise stated)

	Note No.	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
<u>Revenue from operations</u>					
I Interest income	II.1	45.95	67.89	69.39	74.25
II Other income	II.2	-	-	-	-
III Total income (I+II)		45.95	67.89	69.39	74.25
<u>Expenses:</u>					
IV Finance cost	II.3	45.95	67.89	71.75	216.87
Impairment of financial instruments	II.4	-	0.04	0.09	0.78
Employee benefit expenses	II.5	4.12	13.40	11.16	29.56
Depreciation and amortization	1.6	7.87	12.27	17.56	15.67
Other expenses	II.6	-	0.66	1.02	1.56
Total expenses		30.79	38.55	24.72	20.25
V Profit before exceptional items and extra-ordinary items and tax		42.78	64.92	54.55	67.82
VI Exceptional Items and extra ordinary item		3.17	2.97	17.20	149.05
VII Profit/(Loss) before Tax (V-VI)		-	-	-	-
<u>Tax expenses:</u>					
- Current Tax		3.17	2.97	17.20	149.05
- Earlier Year Tax		0.73	0.65	5.77	2.13
- Deferred Tax		-	-	-	-
VIII Total tax expenses		0.26	0.17	0.13	23.01
IX Profit/(Loss) After Tax (VII-VIII)		0.99	0.82	5.90	25.14
X Other Comprehensive Income		2.18	2.15	11.30	123.91
<u>Items that will not be reclassified to profit or loss:</u>					
Change in Fair Value of Equity Instruments at FVOCI		-	-	-	-
Gain on sale of Investment		-	-	44.65	3.25
Tax Impact on Above Item		-	-	-	65.29
<u>Items that will be reclassified to profit or loss:</u>					
Other comprehensive income (net of tax)		-	-	-	-10.70
XI Total Comprehensive Income (IX+X)		2.18	2.15	-33.35	57.84
XII Earnings per Equity Share:	II.9				
Number of Share					
(1) Basic (Rs.)		0*	0.00	0.01	0.15
(2) Diluted (Rs.)		0*	0.00	0.01	0.15
*EPS Not Annualised					

The above statements should be read with the Significant accounting policies and notes on Restated Financial Informations appearing in Annexure IV.

As per our report of even date attached

For Sudhir Agarwal & Associates
Chartered Accountants
Firm Reg. No. 509930C

Sudhir Kumar Aggarwal
Partner

Membership No. 088583

UDIN: 25080583BNFZ008309

Date: 22.03.2025

Place: New Delhi



For and on behalf of the Board of Directors of
Panafi Industrials Limited

Sarita Gupta

Sarita Gupta
Managing Director
DIN: 00113099

Aarushi Gupta

Aarushi Gupta
Chief Financial Officer
PAN: BKAPG5887L

Renu

Renu
Director
DIN: 3572788

Dharmender Kumar

Dharmender Kumar
Company Secretary
PAN: AEGPK3526F

Annexure- III
Restated Statement of Cash Flows

(Amount "Rs. in Lakhs", unless otherwise stated)

	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
A. Cash Flow from Operating Activities				
Profit Before Tax				
Adjustment For:	3.17	2.97	17.20	149.05
Depreciation & Amortization		0.66	1.02	1.56
Impairment of financial instruments		13.40	11.16	29.56
Interest and other financial costs	4.12	0.04	0.09	0.77
Excess provision written back			-2.08	-142.62
Operating profit before working capital changes				
Adjustments For:	7.29	17.07	27.39	38.33
(Increase)/Decrease in investments				
(Increase)/Decrease in loans			54.70	-30.80
(Increase)/ Decrease in other financial assets	-689.66	-121.74	-27.13	922.55
(Increase)/ Decrease in other non-financial assets		2.00	7.70	-9.70
Increase/(decrease) in trade payable	-0.20	2.11	-3.09	-6.59
Increase/(decrease) in other financial liabilities	18.39	-1.47	3.34	-8.65
Increase/(decrease) in non- financial liabilities		-4.60	-2.60	6.87
Cash Generated from operations	0.33		0.14	
Direct tax adjustments	-663.85	-106.63	60.45	912.01
Net Cash Flow from Operating Activities (A)	1.27	5.72		-4.61
B. Cash Flow From Investing Activities	-665.12	-112.35	60.45	916.62
(Purchase)/ of PPE and Intangible assets				
Net Cash flow from Investing Activities				
C. Cash flow from Financing Activities				
Proceeds (Repayment) of borrowings				
Interest and other financial cost	663.62	-0.72	-3.09	-915.75
Net cash generated from/(used in) financing activities		-0.04	-0.09	-0.77
D. Increase/(decrease) in cash and cash equivalent (A+B+C)	663.62	-0.76	-3.18	-916.52
Add: Cash & Cash Equivalent at the beginning of the year	-1.50	-113.11	57.27	0.09
E. Cash & Cash Equivalent at the end of the year	11.67	124.77	67.51	67.42
Components of Cash & Cash Equivalents	10.17	11.67	124.77	67.51
Cash on hand				
Balances with banks	10.13	4.87	3.52	19.44
Total cash & cash equivalents (Note I.1)	0.04	6.80	121.25	48.07
	10.17	11.67	124.77	67.51

The above statements should be read with the Significant accounting policies and notes on Restated Financial Informations appearing in Annexure IV

As per our report of even date attached

For Sudhir Agarwal & Associates
Chartered Accountants
Firm Regn. No. 509930C

Sudhir Kumar Aggarwal

Sudhir Kumar Aggarwal
Partner

Membership No. 088583

UDIN: 25088583BNFZ008309

Date: 22.03.2025

Place: New Delhi



For and on behalf of the Board of Directors of
Panafic Industrials Limited

Sarita Gupta

Sarita Gupta
Managing Director
DIN: 00113099

Renu

Renu
Director
DIN: 3572788

Aarushi Gupta

Aarushi Gupta
Chief Financial Officer
PAN: BKAPG5887L

Dharmender Kumar

Dharmender Kumar
Company Secretary
PAN: AEGPK3526F

Annexure- IV
Restated Statement of Changes in Equity

(Amount "Rs. in Lakhs", unless otherwise stated)

A. Equity Share Capital
Balance at the beginning of the year
Changes in equity share capital during the year
Balance at the end of the year

	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Balance at the beginning of the year	821.25	821.25	821.25	821.25
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the year	821.25	821.25	821.25	821.25

B. Other Equity

	Reserve fund u/s 45- IC of the RBI Act, 1934	General Reserve	Retained Earnings	Items of Other Comprehensive Income	Total Other Equity
Balance as at 1st April 2021	28.59	-12.39	-	-	16.20
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1st April 2021	28.59	-12.39	-	-	16.20
Profit/ (loss) for the year	-	-	123.91	-	123.91
Other comprehensive income	-	-	-	57.84	57.84
Transfer from/ to retained earnings	24.78	99.13	-123.91	-	-
Balance as at 31st March 2022	53.37	86.74	-	57.84	197.95
Balance as at 1st April 2022	53.37	86.74	-	57.84	197.95
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1st April 2022	53.37	86.74	-	57.84	197.95
Profit/ (loss) for the year	-	-	11.31	-	11.31
Other comprehensive income	-	-	-	57.84	57.84
Transfer from/ to retained earnings	2.67	8.00	2.52	-44.65	44.65
Balance as at 31st March 2023	56.04	94.74	13.83	-13.19	164.61
Balance as at 1st April 2023	56.04	94.74	13.83	-	164.61
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1st April 2023	56.04	94.74	13.83	-	164.61
Profit/ (loss) for the year	-	-	2.15	-	2.15
Other comprehensive income	-	-	-	-	-
Transfer from/ to retained earnings	0.54	1.61	-2.15	-	-
Balance as at 31st March 2024	56.58	96.35	13.83	-	166.76
Balance as at 1st April 2024	56.58	96.35	13.83	-	166.76
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance as at 1st April 2024	56.58	96.35	13.83	-	166.76
Profit/ (loss) for the period	-	-	2.18	-	2.18
Other comprehensive income	-	-	-	-	-
Appropriation from/ to retained earnings	0.44	1.75	-2.19	-	-
Balance as at 31st December 2024	57.02	98.10	13.82	-	168.94

The above statements should be read with the Significant accounting policies and notes on Restated Financial Informations appearing in Annexure IV.

As per our report of even date attached

For Sudhir Agarwal & Associates
Chartered Accountants
Firm Regn. No. 509930C

Sudhir Kumar Aggarwal

Sudhir Kumar Aggarwal
Partner

Membership No. 088583

UDIN: 25088583BNF2008309

Date: 22.03.2025

Place: New Delhi



For and on behalf of the Board of Directors of
Panafic Industrials Limited

Sarita Subta

Sarita Gupta
Managing Director
DIN: 00113099

Renu

Renu
Director
DIN: 3572788

Aarushi Gupta

Aarushi Gupta
Chief Financial Officer
PAN: BKAPG5887L

Dharmender Kumar

Dharmender Kumar
Company Secretary
PAN: AEGPK3526F

Annexure V- Significant Accounting Policies and Notes on Restated Financial Information (Cont...d)

3. NOTES ON RESTATED FINANCIAL INFORMATION

A. Adjustment made in the Restated Financial Information

(Amount "Rs. in Lakhs", unless otherwise stated)

Appropriate adjustments have been made in the restated financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

a. Adjustments that are having impact on the net profits and shareholders' funds:

Following adjustments were made in the restated financial information that have any impact on net profits or shareholders' funds for the respective years as per audited financial statements of the Company.

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Net Profit After Tax as per audited financial statements		2.15	10.67	123.91
Add/ (less): Changes in Accounting Estimates (Note 1)	653.52		0.63	
Net Profit After Tax as per restated financial information	2.18	2.15	11.30	123.91

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Total Equity as per audited financial statements		988.01	985.23	1,019.20
Add/ (less): Changes in Accounting Estimates (Note 1)			0.63	
Total Equity as per restated financial information	990.19	988.01	985.86	1,019.20

Note 1 During the year ended on 31st March 2024, the Company had made changes in the accounting estimates related to year ended 31st March 2023 and transferred it into retained earnings. Para 37 of Ind AS 8 on "Accounting Policies, Changes in Accounting Estimates and Errors" states that any change in an accounting estimate that gives rise to changes in assets and liabilities, or relates to an item of equity, it shall be recognised by adjusting the carrying amount of the related asset, liability or equity item in the period of the change. Accordingly the figures have been restated and disclosed in terms of Ind AS 8 on read with SEBI ICDR Regulations.

b. Adjustments that are not having impact on the net profit and shareholders' funds: -

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
(i) Trade Receivables as per audited financial statements			2.00	9.70
Add/ (less): Balances reclassified to Other financial assets			-2.00	-9.70
Trade Receivables as per restated financial information			-	-
(ii) Other Non Financial Liabilities as per audited financial statements	0.46	0.79	6.44	
Add/ (less): Balances reclassified to Current tax Liabilities		-0.65	-5.66	
Add/ (less): Changes in Accounting Estimates				
Other Non Financial Liabilities as per restated financial information	0.46	0.14	-0.63	0.14

B. Contingent liabilities not provided for

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Contingent liabilities in respect of:				
Commitments (to the extent not provided for) :-	None	None	None	None
Guarantee issued to other companies				
Counter Guarantee given by bankers				
Total				

C. Segment Reporting

The Company is carrying on the business of non- banking financial institution and is operating under a single operating segment in terms of allocation of resources, market risk and reward, etc. Hence, in absence of any reportable segment, segment information is not applicable.



Annexure V- Significant Accounting Policies and Notes on Restated Financial Information (Cont...d)

D. Related Party Disclosures in accordance with Accounting Standard (AS)-18

a. List of related parties & relationships, where control exists.

Nature of Relationship	Name of Related Parties	Name of Related Parties			
		31st December 2024	31st March 2024	31st March 2023	31st March 2022
1 Key Management Personnel	Ms. Sarita Gupta (Director & CFO)				
	Ms. Renu (Director)				
	-----	-----	Mr. Sanjeev Kumar (Director)	Mr. Sanjeev Kumar (Director)	Mr. Sanjeev Kumar (Director)
	-----	-----	-----	-----	Mr. Ankur Sharma (Director)
2 Relatives of Key Management Personnel	-----	-----	-----	-----	-----
3 Enterprises where Significant Influence exist by Key Management Personnel or their Relatives	-----	-----	-----	-----	Weekline Investment and Trading Company Limited

b. Transactions with Related Parties

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Ms. Sarita Gupta				
Ms. Renu	None	None	None	None
Mr. Sanjeev Kumar	None	None	None	None
Mr. Ankur Sharma	None	None	None	None
Weekline Investment and Trading Company Limited	None	None	None	None
	None	None	None	None

c. Related Parties Balances:

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Ms. Sarita Gupta				
Ms. Renu	None	None	None	None
Mr. Sanjeev Kumar	None	None	None	None
Mr. Ankur Sharma	None	None	None	None
Weekline Investment and Trading Company Limited	None	None	None	None
	None	None	None	None

E. Earnings & Expenditure In Foreign Currencies, Import of Materials

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Earnings in foreign currency				
Expenditure in foreign currency	-	-	-	-
CIF value of imported material	-	-	-	-

F. Break-up of payments due to statutory auditors: -

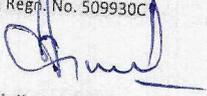
Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
In respect of Statutory Audit				
For Taxation Matters	-	0.10	0.10	0.18
For Other Certification fee	-	0.10	-	-
Total	-	0.37	0.34	0.18
		0.57	0.44	



Annexure V- Significant Accounting Policies and Notes on Restated Financial Information (Cont...d)

- I. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- J. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- K. There are no transaction with the companies whose name struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period covered under these restated financial information.
- L. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- M. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries").
- Moreover, the Company has not received any fund from any party ("Funding Party") with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- N. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- O. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- P. The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- Q. There has been no changes in the accounting policies during the period covered under the restated financial information.
- R. There has been no qualifications in the independent auditor's report during the period covered under the restated financial information.

For Sudhir Agarwal & Associates
Chartered Accountants
Firm Regn. No. 509930C



Sudhir Kumar Aggarwal
Partner

Membership No. 088583

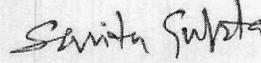
UDIN: 25688583BNFZ008309

Date: 22.03.2025

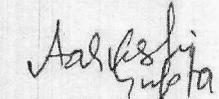
Place: New Delhi



For and on behalf of the Board of Directors of
Panafic Industrials Limited



Sarita Gupta
Managing Director
DIN: 00113099



Aarushi Gupta
Chief Financial Officer
PAN: BKAPG5887L



Renu
Director
DIN: 3572788



Dharmender Kumar
Company Secretary
PAN: AEGPK3526I

Note-I.1
Restated Statement of Cash and Cash Equivalents

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Cash & Cash Equivalents				
Balance with banks	0.04	6.80	121.25	48.07
Cash on hand	10.13	4.87	3.52	19.44
Total	10.17	11.67	124.77	67.51

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – I.2
Restated Statement of Investments

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Investment in Equity Instruments				
<u>Quoted- at Fair Value Through Other Comprehensive Income</u>	-	-	-	99.33
Total	-	-	-	99.33

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – I.3
Restated Statement of Loans

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Unsecured and considered good ;				
A. Loan Repayable on Demand	1,646.70	959.45	850.73	832.74
Less: Impairment Loss Allowance	-4.12	-2.40	-2.03	-2.08
Total (A)	1,642.58	957.05	848.70	830.66
B. Out of above				
Secured	-	-	-	-
Unsecured	1,646.70	959.45	850.73	832.74
Less: Impairment Loss Allowance	-4.12	-2.40	-2.03	-2.08
Total (B)	1,642.58	957.05	848.70	830.66
C. Out of above				
(i) Loans in India				
To Public Sector	-	-	-	-
To Others	1,646.70	959.45	850.73	832.74
Less: Impairment Loss Allowance	-4.12	-2.40	-2.03	-2.08
(ii) Loans Outside India				
To Public Sector	-	-	-	-
To Others	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-
Total (C)	1,642.58	957.05	848.70	830.66
D. Summary of loans by stage of distribution				
(i) Standard Assets	1,646.70	959.45	850.73	832.74
Less: Impairment Loss Allowance	-4.12	-2.40	-2.03	-2.08
(ii) Sub- standard Assets	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-
(iii) Doubtful Assets	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-
(iv) Loss Assets	-	-	-	-
Less: Impairment Loss Allowance	-	-	-	-
Total (D)	1,642.58	957.05	848.70	830.66
Total	1,642.58	957.05	848.70	830.66

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively



Note I.4
Restated Statement of Other Financial Assets

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Unsecured and Considered Good				
Amount recoverable	-	-	2.00	9.70
Total	-	-	2.00	9.70

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – I.5
Restated Statement of Deferred Tax (Assets)/ Liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Deferred Tax Assets				
Related to Property, Plant & Equipment	13.37	13.63	13.79	-
Related to fair value of investments	-	-	-	16.32
On impairment loss allowance on assets	-	-	-	-
Total (a)	13.37	13.63	13.79	16.32
Deferred Tax Liabilities				
Related to Property, Plant & Equipment	-	-	-	1.87
Related to fair value of investments	-	-	-	-
On impairment loss allowance on assets	-	-	-	0.52
Total (b)	-	-	-	2.39
Deferred tax charged/ (credited) in statement of Profit & Loss	0.26	0.17	0.13	23.01
Deferred tax charged/ (credited) in Other Comprehensive Income	-	-	-	10.69
Deferred Tax (Assets)/Liabilities (net)	(13.37)	(13.63)	(13.79)	(13.93)

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – I.6
Restated Statement of Property, Plant & Equipment

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Tangible Assets (Motor Vehicle)				
<u>Cost or deemed cost: -</u>				
Opening Balance	25.23	25.23	25.23	25.23
Additions during the period	-	-	-	-
Asset disposed/ written off during the year	-	-	-	-
Closing Balance	25.23	25.23	25.23	25.23
<u>Accumulated depreciation: -</u>				
Opening Balance	23.99	23.33	22.31	20.75
Charge for the period	-	0.66	1.02	1.56
Adjusted on assets disposed/ written off	-	-	-	-
Closing Balance	23.99	23.99	23.33	22.31
	-	-	-	-
Carrying amount	1.23	1.23	1.90	2.92

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note I.7
Restated Statement of Other Non- Financial Assets

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Unsecured and Considered Good				
MAT Credit	-	-	2.52	2.52
Other advances	7.98	7.78	7.37	4.27
Total	7.98	7.78	9.89	6.79

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-1.8
Restated Statement of Trade Payables

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Trade Payable due to:				
Micro and small enterprises	-	-	-	-
Other than Micro and small enterprises	20.94	2.55	4.02	0.68
Total	20.94	2.55	4.02	0.68

Trade Payables Ageing Schedule

Particulars	Outstanding from due date of payment As at 31st December 2024				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	20.94	-	-	-	-
(iii) Disputed dues : MSME	-	-	-	-	20.94
(iv) Disputed dues : others	-	-	-	-	-
Total	20.94	-	-	-	20.94

Particulars	Outstanding from due date of payment As at 31st March 2024				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	2.55	-	-	-	-
(iii) Disputed dues : MSME	-	-	-	-	2.55
(iv) Disputed dues : others	-	-	-	-	-
Total	2.55	-	-	-	2.55

Particulars	Outstanding from due date of payment As at 31st March 2023				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	4.02	-	-	-	-
(iii) Disputed dues : MSME	-	-	-	-	4.02
(iv) Disputed dues : others	-	-	-	-	-
Total	4.02	-	-	-	4.02

Particulars	Outstanding from due date of payment As at 31st March 2022				
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-
(ii) Others	0.68	-	-	-	-
(iii) Disputed dues : MSME	-	-	-	-	0.68
(iv) Disputed dues : others	-	-	-	-	-
Total	0.68	-	-	-	0.68

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:-

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
(i) Unpaid amount to any supplier	-	-	-	-
a) Principal amount	-	-	-	-
b) Interest thereon	-	-	-	-
(ii) Interest paid as per Sec 16 of MSMED Act, 2006 during the year	-	-	-	-
(iii) Interest due and payable for the delayed payments made during the year	-	-	-	-
(iv) Interest accrued and remaining unpaid	-	-	-	-
(v) Further interest due and payable, which are disallowed as a deductible expense under Sec 23 of MSMED Act, 2006	-	-	-	-

Note 1. The Company does not have any trade payable to promoters/ group companies/ subsidiaries/ material associate companies/related parties as per Accounting Standard-18.

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note -I.9
Restated Statement of Borrowings (other than debt securitis)

(Amount "Rs. in Lakhs", unless otherwise stated)

Particular	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
At amortised cost: -				
Term loan from Banks (secured)	-	-	-	3.81
Inter- corporate borrowings (unsecured)	309.82	-	0.72	-
Other borrowings (unsecured)	353.80	-	-	-
Total Borrowings	663.62	-	0.72	3.81
Out of above: -				
Borrowings in India	663.62	-	0.72	3.81
Borrowings outside India	-	-	-	-
Total Borrowings	663.62	-	0.72	3.81
Total	663.62	-	0.72	3.81

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-I.10
Restated Statement of Other Financial Liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Other Financial Liabilities:				
Payable towards employee benefits	-	-	4.60	4.80
Payable towards rent	-	-	-	2.40
Total	-	-	4.60	7.20

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-I.11
Restated Statement of Other Non- financial Liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Payable towards statutory dues	0.46	0.14	0.14	-
Total	0.46	0.14	0.14	-

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-I.12
Restated Statement of Share Capital

Particulars	(Amount Rs. in lakhs, unless otherwise stated)			
	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Authorized				
Equity Shares of Re. 1 each				
Total	100.00	100.00	100.00	100.00
Issued, Subscribed & fully paid up				
Equity Shares of Re. 1 each				
Total	821.25	821.25	821.25	821.25

Terms/ Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of Re. 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of shares outstanding at the beginning and at the end of Reporting Period

Particulars	31st December 2024		31st March 2024		31st March 2023		31st March 2022	
	No. of Shares	Amount						
Share capital at the beginning of the period	8,21,25,000	821.25	8,21,25,000	821.25	8,21,25,000	821.25	8,21,25,000	821.25
Add: Issue of shares	-	-	-	-	-	-	-	-
Less: Reduction of shares	-	-	-	-	-	-	-	-
Outstanding at the end of the period	8,21,25,000	821.25	8,21,25,000	821.25	8,21,25,000	821.25	8,21,25,000	821.25

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

Particulars	31st December 2024		31st March 2024		31st March 2023		31st March 2022	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
None								

Shares held by promoters in the Company

Promoter Name	Shares held by the promoters at the end of the period							
	31st December 2024		31st March 2024		31st March 2023		31st March 2022	
	No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares	No. of Shares	% of total Shares
Sarita Gupta	12,33,310	1.50%	12,33,310	1.50%	12,33,310	1.50%	15,31,830	1.87%
Rajeev Kumar Gupta	10,230	0.01%	10,230	0.01%	10,230	0.01%	5,35,000	0.65%
Saroj Gupta	1,38,429	0.17%	1,38,429	0.17%	1,38,429	0.17%	1,16,325	0.14%
Anil Gupta	1,16,325	0.14%	1,16,325	0.14%	1,16,325	0.14%	10,230	0.01%
Total	12,43,540	1.51%	12,43,540	1.51%	12,43,540	1.51%	20,66,830	2.52%



Details of % change in shares held by promoters in the Company

Promoter Name	% Change from 31st March 2024 to 31st December 2024	% Change from 31st March 2023 to 31st March 2024	% Change from 31st March 2022 to 31st March 2023
Sarita Gupta	0.00%	0.00%	-19.49%
Rajeev Kumar Gupta	0.00%	0.00%	-98.09%
Saroj Gupta	0.00%	0.00%	19.00%
Anil Gupta	0.00%	0.00%	1037.10%

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-I.13
Restated Statement of Other Equity

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Other equity				
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934				
Opening balance				
Add: Transferred from retained earnings	56.58	56.04	53.37	28.59
Less: Utilised during the year	0.44	0.54	2.67	24.78
Balance at the end of year (A)	57.02	56.58	56.04	53.37
General Reserve				
Opening balance				
Add: Transferred from retained earnings	96.35	94.74	86.74	(12.39)
Balance at the end of year (B)	1.75	1.61	8.00	99.13
Retained Earnings	98.10	96.35	94.74	86.74
Items of Other Comprehensive Income				
Opening balance				
Add: Restated Profit/(Loss) for the year	13.83	13.83	-	-
Add: Transfer from other comprehensive income	2.18	2.15	11.30	123.91
Less: Transfer to reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	-	-	13.20	-
Less: Transfer to general reserve	0.44	0.54	2.67	24.78
Balance at the end of year (C)	13.82	13.83	13.83	-
Items of Other Comprehensive Income				
Opening balance				
Add: Transferred from Restated Profit/(Loss) for the year	-	-	57.84	-
Less: Transfer to retained earnings	-	-	(44.64)	57.84
Balance at the end of year (D)	-	-	13.20	-
Total Reserves & surplus (A+B+C+D)	168.94	166.76	164.61	197.95

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-II.1
Restated Statement of Interest Income

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31- 03-2023	For Year ended 31-03-2022
Interest on loans	45.95	67.89	69.39	74.25
Total	45.95	67.89	69.39	74.25

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note-II.2
Restated Statement of Other Income

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Income from derivatives	-	-	0.28	-
Excess Provision written back	-	-	2.08	142.62
Total	-	-	2.36	142.62

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and



Note – II.3
Restated Statement of Finance cost

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Interest on borrowings	-	0.04	0.03	0.51
Other borrowing cost	-	-	0.06	0.27
Total	-	0.04	0.09	0.78

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – II.4
Restated Statement of Impairment of Financial Instruments

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Allowance for Expected credit loss	4.12	2.40	2.03	2.08
Derecognition of financial instruments	-	11.00	9.13	27.48
Total	4.12	13.40	11.16	29.56

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – II.5
Restated Statement of Employee Benefit Expenses

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Salaries & Allowances	1.80	6.94	12.76	10.87
Director Remuneration	4.80	5.33	4.80	4.80
Staff welfare expenses	1.27	-	-	-
Total	7.87	12.27	17.56	15.67

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and V respectively.



Note – II.6
Restated Statement of Other Expenses

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024	For Year ended	For Year ended	For Year ended
	to 31-12-2024	31-03-2024	31-03-2023	31-03-2022
Sales and marketing expenses	0.88	0.54	0.67	0.47
Auditor Remuneration	-	0.10	0.10	0.18
Meeting and conferences	0.93	0.80	0.60	0.60
Communication and travelling	8.78	2.74	2.00	2.08
Listing and compliance fees	13.60	19.33	10.62	11.15
Legal, professional and consultation	0.85	4.75	2.24	0.30
Penalty and non- compliance	-	-	2.87	-
Administrative and general expenses	5.75	10.29	5.62	5.47
Total	30.79	38.55	24.72	20.25

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss, Restated Statement of Cash Flows and Restated Statement of Changes in Equity, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III, IV and



Note-- II:7
Restated Statement of Earnings per Share
(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	From 01-04-2024 to 31-12-2024	For Year ended 31-03-2024	For Year ended 31-03-2023	For Year ended 31-03-2022
Calculation of Earnings per Share (EPS)				
Profit/ (Loss) after tax as per Restated Statement of Profit & Loss	2.18	2.15	11.30	123.91
Weighted Average Number of Equity Shares	8,21,25,000	8,21,25,000	8,21,25,000	8,21,25,000
Earnings per share- EPS (in Rs.)				
Basic	-	0.00	0.01	0.15
Diluted	-	0.00	0.01	0.15

Note:-

- EPS Ratios have been calculated as follows:
 Basic Earning per share = Restated Profit after Tax available to equity/
 Weighted Average Number of Equity Shares
 Diluted Earning per share = Restated Profit after Tax available to equity/
 Weighted Average Number of Equity Shares
- EPS for the period From 01-04-2024 to 31-12-2024 have not been annualised.



Annexure-VI
Restated Statement of Accounting Ratios

S. No.	Ratios	Numerator	Denominator	As at				change in 2024	change in 2023	Reason for changes in 2024	Reason for changes in 2023	
				31st December 2024 ^(Note 1)	31st March 2024	31st March 2023	31st March 2022					
1	Current Ratio	Current Assets	Current Liabilities	2.43	292.44	57.69	73.91	-99.17%	406.94%	-21.95%	Due to increase in current liabilities	Due to decrease in current liabilities
2	Debt Equity Ratio	Total Debts (Long term Borrowings + Short term Borrowings)	Total Equity (Equity Share capital + Reserve & Surplus)	0.67	-	0.00	0.00	N.A.	-100.00%	-80.46%	Due to repayment of borrowings	Due to repayment of borrowings
3	Debt-Service Coverage Ratio	Earnings available for debt service (Net profit before exceptional items & tax expense + depreciation & amortization + Net profit after tax-Exceptional items)	Total Debt Services (Finance cost + principle repayment of borrowings during the period/year)	N.A.	4.83	5.75	0.17	N.A.	N.A.	3381.52%	Due to repayment of borrowings	Due to repayment of borrowings
4	Return on Equity	Net profit after tax-Exceptional items	Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing Equity Share Capital + Closing Other Equity)/2]	0.22%	0.22%	1.13%	13.47%	1.17%	-80.68%	-91.63%	Due to decrease in net profit after tax	Due to decrease in net profit after tax
5	Inventory Turnover Ratio	Revenue from sales of products	Average Inventory [(Opening balance + closing balance)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
6	Trade Receivable Turnover Ratio	Revenue from operations	Average trade receivable [(Opening balance + closing balance)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
7	Trade Payable Turnover Ratio	Purchases	Average trade payable [(Opening balance + closing balance)/2]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		
8	Net Capital Turnover Ratio	Revenue from operations	Working capital (Current asset-current liabilities)	0.09	0.07	0.08	0.09	35%	-13.71%	-7.49%	Ratio not annualised	



9	Net Profit Ratio	Net profit after tax and Exceptional items	Revenue from operations	2.37%	3.17%	16.29%	166.88%	-25.10%	-80.56%	-90.24%	Ratio not annualised	Due to decrease in net profit after tax	Due to decrease in net profit after tax
10	Return on capital Employed	Profit Before interest, Tax & Exceptional item	Capital Employed (Tangible Net Worth+Total Debt+Deferred Tax Liability)	0.19%	0.30%	1.75%	14.65%	-37.08%	-82.62%	88.03%	Ratio not annualised	Due to decrease in net profit after tax	Due to decrease in net profit after tax
11	Return on Investment	Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment	Current investments + Non current investments + Fixed deposits with bank	2.80%	7.09%	8.18%	7.98%	-60.57%	-13.24%	2.41%	Ratio not annualised	-----	-----

Notes :-

1 Figures for the period from April 01, 2024 to December 31, 2024 are not annualised.



Annexure-VI.I
Restated Statement of Accounting Ratios

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	As at 31st December 2024	As at 31st March 2024	As at 31st March 2023	As at 31st March 2022
Current Assets (A)	1,665.16	979.69	876.28	864.05
Current Liabilities(B)	685.14	3.35	15.19	11.69
Total Debt/ Liabilities (C)	663.62	-	0.72	3.81
Shareholder's Equity (D)	990.19	988.01	985.86	1,019.20
Net Profit /(loss) After Tax (E)*	2.18	2.15	11.30	123.91
Average Shareholders Fund (F)	989.10	986.94	1,002.53	920.23
Sales/ Revenue from Operation(G)	45.95	67.89	69.39	74.25
Opening Stock	-	-	-	-
Closing Stock	-	-	-	-
Average Stock (H)	-	-	-	-
Sales (I)	91.90	67.89	69.39	74.25
Opening Debtors	-	-	-	-
Closing Debtors	-	-	-	-
Average Debtors (J)	-	-	-	-
Total Purchases (K)	-	-	-	-
Opening Creditors	2.55	4.02	0.68	-
Closing Creditors	20.94	2.55	4.02	0.68
Average Creditors (L)	11.75	3.29	2.35	0.34
Working Capital (M)	980.02	976.34	861.09	852.36
EBIT (N)*	3.17	3.01	17.29	149.83
Capital Employed (O)	1,653.81	988.01	986.58	1,023.01
Current Ratio (A/B)	2.43	292.44	57.69	73.91
Debt Equity Ratio (C/D)	0.67	-	0.00	0.00
Debt Service Coverage Ratio	N.A.	4.83	5.75	0.17
Return on Equity (%) (E/F)	0.22%	0.22%	1.13%	13.47%
Inventory Turnover Ratio (G/H)	N.A.	N.A.	N.A.	N.A.
Trade Receivable Turnover Ratio (I/J)	N.A.	N.A.	N.A.	N.A.
Trade Payables Turnover Ratio (K/L)	-	-	-	-
Net Capital turnover Ratio (I/M)	0.09	0.07	0.08	0.09
Net Profit Ratio (E/I)	2.37%	3.17%	16.29%	166.88%
Return on Capital Employed (N/O)	0.19%	0.30%	1.75%	14.65%
Return on Investments	2.80%	7.09%	8.18%	7.98%

Note:

* Figures for the period from 1st April 2024 to 31st December 2024 are not annualised.

The Ratios have been computed as below:

1. Current Ratio= Current Assets/ Current Liabilities.
2. Debt Equity Ratio = Total Liabilities (Borrowings)/ Total Equity
3. Debt Service Coverage Ratio = Earnings available for debt service/Total Debt Services
4. Return on Equity = Profit after Tax/ Average Shareholders Fund
5. Inventory Turnover Ratio = COGS/Average Stock
6. Trade Receivable Turnover Ratio = Sales/ Average Debtor
7. Trade Payable Turnover Ratio = Purchase/ Average Creditor
8. Net Capital Turnover Ratio = Sales/ Working Capital
9. Net Profit Ratio = Profit After Tax/Total Sales
10. Return on Capital Employed = EBIT/ Capital Employed
11. The company does not have any revaluation reserves or extraordinary items.



Annexure VII - Restated Statement of Capitalisation

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation as at December 31, 2024, on the basis of the restated financial information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	Pre offer as at December 31,2024	As adjusted for the proposed Offer*
Borrowings:		
Borrowings (Other than Debt Securities)	663.62	[•]
Total borrowings (A)	663.62	[•]
Equity:		
Equity share capital	821.25	[•]
Other Equity	168.94	[•]
Total equity (B)	990.19	[•]
Ratio: Total borrowings (A)/ Total equity (B)	0.67	[•]
Notes:		
1. As per the restated financial information.		

The corresponding post issue capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement



Annexure -VII- Restated Statement of tax shelters

(Amount "Rs. in Lakhs", unless otherwise stated)

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Tax Rates				
Normal Income tax rate (%)	22.00%	22.00%	22.00%	22.00%
Long Term Capital Gain Tax rate (%)	10.00%	10.00%	10.00%	10.00%
Short Term Capital Gain Tax rate (%)	15.00%	15.00%	15.00%	15.00%
Surcharge	10.00%	10.00%	10.00%	10.00%
Health & Education cess	4.00%	4.00%	4.00%	4.00%
Income tax rate (%)	25.17%	25.17%	25.17%	25.17%
Long Term Capital Gain Tax rate (%)	11.44%	11.44%	11.44%	11.44%
Short Term Capital Gain Tax rate (%)	17.16%	17.16%	17.16%	17.16%
Income from business or profession				
Restated profit before tax as per books (B)	3.17	2.97	17.20	149.05
Timing differences during the year				
Expenses allowable/ disallowable subject to provisions of Income tax Act: -				
Depreciation	-	-0.66	-0.54	-0.27
Provision reverse on impairment loss	-	-2.08	-2.08	-140.54
Expenses allowable on payment basis u/s 43B	-	-	-	-
Brought forward losses and unabsorbed depreciation set off	-	-	-	-6.30
Total timing differences during the year (C)	-	-2.74	-2.62	-147.10
Permanent differences during the year				
Expenses disallowed u/s 37 of the Income tax Act	-	2.40	4.99	4.87
Total permanent differences (D)	-	2.40	4.99	4.87
Taxable income (E) = (B+C+D)	3.17	2.64	19.58	6.82
Restated profit before tax as per books (F)	3.17	2.97	17.20	149.05
Additions to be made u/s 115JB (G)	-	-	-	-
Deductions allowed u/s 115JB (H)	-	-	-	-
Book Profit u/s 115JB (I)=(F-G+H)	3.17	2.97	17.20	149.05
Income tax payable under normal provisions (I)	0.80	0.66	4.93	1.72
Income from Short term Capital Gains	-	-	-	3.67
Income from Long term Capital Gains	-	-	13.20	-
Income tax payable on Capital Gains (J)	-	-	1.40	0.63
Total Income tax Payable (I+J)	0.80	0.66	6.32	2.35
Book profit for MAT	3.17	2.97	17.20	149.05
MAT on book profit (See Note 1)	N.A.	N.A.	N.A.	N.A.
Tax payable as per normal or MAT (See Note 1)	Normal	Normal	Normal	Normal
Tax payable on restated profits	0.80	0.66	6.32	2.35
Tax payable as per return	Nil*	0.66	6.32	2.35
Differences	-	-	-	-

*Amount is Nil as return for December 31, 2024 is not to be filed

(1) The Company had opted for taxation under Section 115BAA of the Income tax Act, 1961 ("the Act") with effect from Assessment Year 2020- 2021, whereby the provisions of Minimum Alternate Tax (MAT) referred to in under Section 115JB of the Act are not applicable.



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

An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in Equity Shares. This section should be read in conjunction with Risk Factors, Industry Overview, Our Business and Financial Information on beginning pages 23, 53, 62 and 70 respectively, before making an investment decision in relation to Equity Shares.

Our fiscal year commences on April 1 and ends on March 31 of the subsequent year, and references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise specified or as the context requires, financial information herein is derived from the restated financials statement for the nine-months ended December 31, 2024, and our Restated Financial Statements FY 24 as of and for the financial years ended March 31, 2024 (with the comparative period data as of and for the financial year ended March 31, 2023 and March 31, 2022), including the related notes, schedules and annexures (our Restated Financial Statements and together with the Restated Financial Results, the Financial Statements). However, all the information in this section regarding cost, yield and average balances is based on the average balances outstanding during the relevant Fiscal year. See Risk Factors — Significant differences exist between Ind AS and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition on page 34.

We have included various operational and financial performance indicators in this Draft Letter of Offer, many of which may not be derived from our Financial Statements. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. For the purposes of this section, for certain analyses we have used historical methodologies and internal categorizations to enable a consistent representation of our business. Such information may vary from similar information publicly disclosed by us in compliance with applicable regulations in India. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Financial Statements and other information relating to our business and operations included in this Draft Letter of Offer.

Certain non-GAAP financial measures and certain other statistical and operational information relating to our operations and financial performance have been included in this section.

Unless otherwise indicated, information contained in this section has been obtained or derived from publicly available information as well as various industry publications and sources, as referred to herein (collectively, the Sources). The information in the Sources is as of specified dates and opinions in the Sources may be based on estimates, projections, forecasts and assumptions that may be as of such dates, which may no longer be current or reflect current trends. Further, forecasts, estimates, predictions, and other forward-looking statements contained in the Sources are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates, predictions, or such statements. Accordingly, investment decisions should not be based on such information. Each Source is not a recommendation to invest or disinvest in any company covered in such Source. The views expressed in the Sources are that of its authors. Prospective investors are advised not to unduly rely on the Sources and should conduct their own investigation and analysis of all facts and information contained in this Draft Letter of Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the applicable Source and included herein with respect to any particular Financial Year or as the case may be, calendar year, refers to such information for the relevant Financial Year or as the case may be, calendar year.

Statements contained in this discussion that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those forward-looking statements. Under no circumstances should the inclusion

of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by us or any other person, or that these results will be achieved or are likely to be achieved. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors and contingencies that could affect our financial condition, results of operations and cash flows. You are also advised to read the sections titled Forward-looking Statements and Risk Factors beginning on pages 17 and 23 respectively, which discuss a number of factors or contingencies that could affect our business, financial condition and results of operations. Prospective investors in the Equity Shares are cautioned not to place undue reliance on these forward-looking statements.

BUSINESS OVERVIEW

Our Company was incorporated on January 01, 1985 under the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana. Our Company had obtained Certificate for Commencement of Business on January 16, 1985 from the Registrar of Companies, NCT of Delhi & Haryana. Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI bearing registration number 'B. 14.03057' dated 07.03.2005 to carry on NBFBI business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company.

The main object of the business of the Company is to finance Industrial Enterprises by way of making loans or advances and to carry on the business of trading, leasing, and hire purchase of all types of industrial and office plant, equipment, machinery, buildings, computers and all types of consumer, commercial or industrial items.

For further details, please refer section titled Our Business on page 62 of this Draft letter of offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled Risk Factor beginning on page 23 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

1. General economic and market conditions.
2. Unfavourable economic developments.
3. Inflation and its impact on consumer price inflation, which could dampen growth.
4. Market fluctuations and industry dynamics beyond our control.
5. Market risk arising from changes in the value of financial instruments due to fluctuations in market variables like interest rates and exchange rates.
6. The performance of financial markets in India and globally.
7. Any adverse changes in central or state government policies.
8. Changes in the regulatory framework, economic policies, or monetary and interest rate policies in India and foreign countries.
9. Company's results of operations and financial performance.
10. Our ability to successfully execute our growth strategies.
11. Availability of cost-effective sources of capital.
12. Credit quality and provisioning.
13. Our ability to attract and retain qualified personnel.
14. Any adverse outcome in the legal proceedings in which we are involved.
15. Changes in the value of the Indian Rupee and other currencies.
16. Conflict of interest with our promoter and other related parties.
17. Other factors beyond our control.
18. Changes in political and social conditions in India or in countries we may enter.
19. The emergence of any pandemic situation.

Discussion On The Results Of Operations

The following table sets forth select financial data from our Restated financial statement of profit and loss for the nine months period ended December 31, 2024 and financial years ended March 31, 2024, 2023, and 2022, the components of which are also expressed as a percentage of total revenue for such period and financial years:

(₹ in Lakhs)								
Particulars	For the period ended 31st December, 2024	(%)*	For the period ended 31st March, 2024	(%)*	For the period ended 31st March, 2023	(%)*	For the period ended 31st March, 2022	(%)*
REVENUE								
Revenue from Operations	45.95	100%	67.89	100.00%	69.39	96.71%	74.25	34.24%
Other income	0.00	0.00%	0.00	0.00%	2.36	3.29%	142.62	65.76%
Total Revenue	45.95	100%	67.89	100.00%	71.75	100.00%	216.87	100.00%
EXPENSES								
Finance Cost	0.00	0.00%	0.04	0.06%	0.09	0.13%	0.78	0.36%
Impairment of financial instruments	4.12	8.97%	13.40	19.74%	11.16	15.55%	29.56	13.63%
Employee benefits expenses	7.87	17.13%	12.27	18.07%	17.56	24.47%	15.67	7.23%
Depreciation and amortisation	0.00	0.00%	0.66	0.97%	1.02	1.42%	1.56	0.72%
Other expenses	30.79	67.01%	38.55	56.78%	24.72	34.45%	20.25	9.34%
Total Expenses	42.78	93.10%	64.92	95.63%	54.55	76.03%	67.82	31.27%
Profit before Tax and Extraordinary Expenses	3.17	6.90%	2.97	4.37%	17.20	23.97%	149.05	68.73%
Exceptional Items	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Profit/(Loss) before tax	3.17	6.90%	2.97	4.37%	17.20	23.97%	149.05	68.73%
TAX EXPENSES/(INCOME)								
Current Tax	0.73	1.59%	0.65	0.96%	5.77	8.04%	2.13	0.98%
Deferred Tax	0.26	0.57%	0.17	0.25%	0.13	0.18%	23.01	10.61%
Previous Year Taxes	0	0.00%	0	0.00%	0	0	0	0
Total tax expenses	0.99	2.15%	0.82	1.21%	5.90	8.22%	25.14	11.59%
Profit/loss after tax	2.18	4.74%	2.15	3.17%	11.30	15.75%	123.91	57.14%

**(%) column represents percentage of total revenue.*

REVENUE AND EXPENSES

Our revenue and expenses are reported in the following manner:

Total Revenues

◆ **Revenue of operations:**

Our Company's revenue is primarily generated from Interest Income.

◆ **Other Income:**

Our company recorded other income for the financial year ended 2023 and 2022.

Expenses

Our expenses primarily consist of Finance Cost, Impairment of financial instruments, Employee benefits expenses, Depreciation and amortisation and other expenses.

◆ **Finance Costs**

Our finance costs mainly comprise of Interest on borrowings and other borrowing cost.

◆ **Impairment of Financial Instruments**

It includes allowance for expected credit loss and derecognition of financial instruments.

◆ **Employment Benefit Expenses**

It includes Director's Remuneration, Salaries & Allowances and Staff Welfare Expense related to Employees.

◆ **Depreciation and Amortisation**

It includes Depreciation on Motor Vehicle.

◆ **Other Expenses**

Other expense mainly comprises of Sales and marketing expenses, Auditor Remuneration, Legal, professional and consultation, Compliance fees and other administrative and general expenses.

◆ **Tax Expenses**

Tax expense comprises of current tax, previous year taxes, and deferred tax.

FINANCIAL YEAR 2024-23 COMPARED TO THE FINANCIAL YEARS 2023-22

TOTAL REVENUE

Our total revenue declined by 5.38% from ₹71.75 Lakhs in the financial year 2022-23 to ₹67.89 Lakhs in the financial year 2023-2024.

This sharp decline was primarily driven by the following factors:

• **Revenue from operations**

Our revenue from operations declined by 2.16% from ₹69.39 Lakh in the financial year 2022-23, to ₹67.89 Lakh in 2023-24. The decline was primarily driven by a ₹1.50 Lakh reduction in interest income in FY 2023-24 compared to FY 2022-23.

• **Other Income**

The Company recorded other income under the heads Income from Derivatives and Excess Provision Written Back amounting to ₹2.36 Lakhs in the FY 2022-23.

TOTAL EXPENSES

Total expenses reflects a significant rise of 19.01% from ₹54.55 Lakhs in the FY 2022-23 to ₹64.92 Lakhs in the FY 2023-24.

The change in total expenses was driven by the following factors:

- **Finance Costs**

Finance costs declined by 55.56% from ₹0.09 Lakhs in the financial year 2022-23 to ₹0.04 Lakhs in FY 2023-24.

- **Impairment of Financial Instruments**

Our Company's expense for the impairment of financial instruments increased by 20.07% from ₹11.16 Lakhs in the financial year 2022-23 to ₹13.40 Lakhs in 2023-24.

- **Employee benefits expenses**

The employee benefit expenses has been decreased by 30.13% from ₹17.56 Lakhs in FY 2022-2023 to ₹12.27 Lakhs in FY 2023-24.

- **Depreciation & Amortization Expenses**

Depreciation decreased by 35.29% from ₹1.02 Lakhs in FY 2022-23 to ₹0.66 Lakhs in FY 2023-24. The decline in depreciation and amortization is due to lower depreciation on motor vehicles.

- **Other expenses**

Other expenses increased to ₹38.55 Lakhs in FY 2023-24 from ₹24.72 Lakhs in FY 2022-23 primarily due to higher sales and marketing expenses, auditor remuneration, meeting and conference expenses, listing and compliance fees, among others.

PROFIT BEFORE TAX

Profits before tax declined to ₹2.97 Lakhs in the financial year ended March 31, 2024, from ₹17.20 Lakhs in the financial year ended March 31, 2023.

NET PROFIT AFTER TAX

The net profit declined to ₹2.15 Lakhs for the financial year ended March 31, 2024 as compared to ₹11.30 Lakhs in the financial year ended March 31, 2023. The total tax expense recorded for FY 2023-24 was ₹0.82 Lakhs, whereas it stood at ₹5.90 Lakhs for FY 2022-23.

Related Party Transactions

For details of the *Related Party transactions*, as per the requirements under applicable Indian Accounting Standards, i.e., Ind AS – Related Party Disclosures, entered by our Company for Fiscal 2023-24, see *Financial Statements beginning on Page 71 of this Draft Letter of Offer*.

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OTHER FINANCIAL INFORMATION

ACCOUNTING RATIOS

Accounting Ratios

The accounting ratios required under Clause 14(B) of Part B-1 of Schedule VI of the SEBI ICDR Regulations are given below:

Particulars	As of and for the nine-months period ended	As of and for the Financial Year ended		
	December 31, 2024	March 31, 2024	March 31, 2023	March 31, 2022
Profit for the year/ period (A) (₹ in lakhs)	2.18	2.15	11.30	123.91
Weighted average number of equity shares in calculating basic EPS (B) (number in lakhs)	821.25	821.25	821.25	821.25
Weighted average number of equity shares in calculating diluted EPS (C) (number in lakhs)	821.25	821.25	821.25	821.25
Basic Earnings per share (in ₹) (D = A/B)	0.00*	0.00	0.01	0.15
Diluted Earnings per share (in ₹) (E = A/C)	0.00*	0.00	0.01	0.15
Net Worth (A) (₹ in lakhs)	990.19	988.01	985.86	1,019.20
Profit for the year/ period (B) (₹ in lakh)	2.18	2.15	11.30	123.91
Return on net worth (C = B/A) (%)	0.22%	0.22%	1.15%	12.16%
Net Worth (A) (₹ in lakhs)	990.19	988.01	985.86	1,019.20
Outstanding number of equity shares at the end of the period (B) (number in lakh)	821.25	821.25	821.25	821.25
Net Asset Value per Equity Share (C = A/B) (in ₹)	1.21	1.20	1.20	1.24
EBITDA (₹ in lakhs)	3.17	3.67	18.31	151.39

*EPS Not Annualised

The ratios have been computed as under:

- Basic and diluted earnings/ (loss) per equity share:** Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).
- Return on Net Worth ratio:** Profit/ (loss) for the period attributable to equity shareholders of the company divided by the Net Worth of the Company at the end of the year/period.
- NAV:** Net Worth divided by the outstanding number of equity shares at the end of the period.
- EBITDA:** Profit/(loss) before tax, tax expense, finance cost and depreciation and amortisation for the year/ period.

CAPITALISATION STATEMENT

The following table sets forth the Capitalisation Statement as of December 31, 2024, on the basis of our Restated Financial Statements, and as adjusted for the Issue. This table should be read in conjunction with *Risk Factors, Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations*, beginning on pages 23, 70, and 107, respectively.

(Amount in ₹ lakhs)

Particulars	Pre-Issue	Post-Issue
Borrowings		
Borrowings (Other than Debt Securities)	663.62	[●]
Total Borrowings (A)	663.62	[●]
Equity		
Equity Share Capital*	821.25	[●]
Other Equity*	168.94	[●]
Total Equity (B)	990.19	[●]
Ratio: Total Borrowings (A)/ Total Equity (B)	0.67	[●]

**These terms shall carry the meaning as per Schedule III of the Companies Act.*

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MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on BSE Limited, and the Rights Shares issued pursuant to this Issue will be listed on the said Stock Exchange. For further details, please refer to the section titled 'Terms of the Issue' on page 129 of this Draft Letter of Offer.

Our Company shall make an application for being in receipt of the in-principle approval for listing of the Rights Shares on BSE Limited to be issued pursuant to this Issue. In pursuance of which, our Company is in receipt of In-principle approval from the Stock Exchange vide its letter bearing reference number [●] dated [●]. Our Company shall also make applications to the Stock Exchange to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

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

Stock Market Data For Equity Shares of our Company:

A. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on the BSE Limited and number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in the preceding 3 (Three) Financial Years:

Financial Year ending on March 31	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average Market Price for the Year (₹)	Total volume of Equity Shares traded in the Financial Year (in number)	Total turnover of Equity Shares traded in the Financial Year (₹ in Lakhs)
2024	1.93	February 13, 2024	9,70,671	18.73	0.86	August 07, 2023	2,63,408	2.30	1.16	9,05,75,010	1,155.42
2023	2.47	July 04, 2022	13,73,386	33.35	0.75	March 29, 2023	3,87,603	2.91	1.62	8,50,99,982	1,446.09
2022	5.17	January 20, 2022	40,55,978	209.18	0.2	May 12, 2021	62,762	0.13	1.25	14,82,52,493	2,880.65

Source: www.bseindia.com

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

B. The following tables set out the reported high, low, and average of the closing prices of our Equity Shares on BSE number of Equity Shares traded on the days on which such high and low prices were recorded for, and the volume of Equity Shares traded in each of the last 6 (Six) Months:

Month	High (₹)	Date of High	Number of Equity Shares traded on date of High	Total turnover of Equity Shares traded on date of high (₹ in Lakhs)	Low (₹)	Date of Low	Number of Equity Shares traded on date of Low	Total turnover of Equity Shares traded on date of low (₹ in Lakhs)	Average Market Price in the Month (₹)	No. of trading days in the period	Equity Shares traded in the Month	
											Volume	Turnover (₹ in Lakhs)
February 2025	1.17	February 03, 2025	86,831	1.01	0.94	February 27, 2025	1,34,110	1.29	1.06	20	18,58,684	19.70
January 2025	1.25	January 02, 2025	67,621	0.84	1.14	January 13, 2025	2,34,084	2.68	1.18	23	22,60,359	26.65
December 2024	1.37	December 12, 2024	1,22,791	1.71	1.23	December 23, 2024	2,29,525	2.85	1.28	21	32,02,944	41.30
November 2024	1.34	November 11, 2024	1,04,546	1.40	1.25	November 13, 2024	1,19,181	1.51	1.30	19	22,26,331	28.88
October 2024	1.44	October 1, 2024	1,34,725	1.94	1.22	October 23, 2024	87,545	1.08	1.32	22	35,53,057	47.09
September 2024	1.48	September 12, 2024	4,37,577	6.36	1.41	September 23, 2024	2,47,299	3.53	1.44	21	51,92,940	75.22

Source: www.bseindia.com

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

C. The Board has approved the Issue at their meeting held on July 29, 2024. The following table sets forth the market prices of our Equity Shares on the BSE on July 30, 2024, the first trading day immediately after the date on which the resolution of the board of directors approving the issue was passed:

Date	Open (₹)	High (₹)	Low (₹)	Close (₹)	Number of Equity Shares traded	Turnover (₹ in Lakhs)
July 30, 2024	1.61	1.65	1.54	1.57	4,10,724	6.45

Source: www.bseindia.com

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MATERIAL DEVELOPMENTS

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since March 31, 2024, which materially affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

1. The Board of Directors of our Company has at its meeting held on May 30, 2024, approved the audited financial results for the year ended March 31, 2024, and the shareholders of the Company have, at annual general meeting of the Company held on September 26, 2024, adopted the audited financial statements for the year ended March 31, 2024.
2. The Board of Directors of our Company has at its meeting held on February 14, 2025, approved the unaudited financial results for the nine-month period ended December 31, 2024.
3. The Board of Directors of our Company has at its meeting held on July 29, 2024, approved for raising of funds by issuance of equity share through modes of rights issue.
4. The Shareholders of our Company has at its meeting held on September 26, 2024, approved for increase in authorized share capital and alteration in Memorandum of Association from the existing Rs. 10,00,00,000/- (Rupees Ten Crore) divided into 100000000 (Ten Crore) equity shares of Re.1/- (Rupee One) each to Rs. 500,000,000/- (Rupees Fifty Crore) divided into 500000000 (Fifty Crore) equity shares of Re. 1/- (Rupee One) each ranking pari-passu in all respects with the existing equity shares of the Company.
5. The Board of Directors of our Company has at its meeting held on July 29, 2024, approved the constitution of the right issue committee for the proposed right issue of the company.

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SECTION VIII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of our business.

Our Company has, solely for the purpose of this Issue, disclosed in this section, all outstanding matters which involve

- (i) issues of moral turpitude or criminal liability on the part of our Company, including all criminal proceedings filed by or against our Company;
- (ii) material violations of statutory regulations by our Company;
- (iii) outstanding matters in relation to material civil or tax litigation involving the Company;
- (iv) economic offences where proceedings have been initiated against our Company; and
- (v) any other outstanding matter;

Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

I. Outstanding Litigations involving Our Company

(f) Litigation against Company:

Type of case	Litigation Number/ Case Number	Plaintiff	Amount involved	Status of Litigation
-----NIL-----				

(g) Case/Appeal by Company:

Type of case	Case/Appeal Number	Defendant	Amount involved	Status of Litigation
Income tax Case U/s 148	A.Y 2012-13	CIT (A), Delhi	Rs.1,05,73,420	Pending for hearing
Income tax Case U/s 148	A.Y 2013-14	CIT (A), Delhi	Rs.3,79,09,495	Pending for hearing
Appeal No 136 of 2024	With SEBI for recovery of Penalty deposited		Rs. 5,21,000/-	

II. Litigation involving our Directors and Promoters

a) Litigations by Company's directors and Promoters:

Type of case	Litigation Number/ Case Number	Defendant	Amount involved	Status of Litigation
-----NIL-----				

b) Litigation against Company's Directors and Promoters:

Type of case	Litigation Number/ Case Number	Defendant	Amount involved	Status of Litigation
--------------	--------------------------------	-----------	-----------------	----------------------

- | |
|---|
| <ol style="list-style-type: none">3. ROC for Non Compliance u/s 129(7) of Companies Act 1956 for balance Sheet as on 31.3.2015 against Rajeev Kumar Gupta and Sarita Gupta4. ROC for Non Compliance u/s 211(7) of Companies Act 1956 for balance Sheet as on 31.3.2015 against Ashwani Salwan, Ankur Sharma, Sanjeev Kumar, Rajeev Kumar Gupta and Sarita Gupta. |
|---|

III. Outstanding litigations involving Company's Subsidiaries/Associates

Since the Company does not have any Subsidiaries, Associates or Joint Venture Companies, the disclosure of particulars with respect to information related to performance and financial position of the Subsidiaries, Joint Ventures or Associate Companies subject to Rule 8(1) of Companies (Accounts) Rules, 2014 is not applicable on the Company.

IV. Material Developments

Other than as stated in Management's Discussion and Analysis of Financial Condition and Results of Operations beginning on page 107, there have not arisen, since the date of the Limited Review Standalone Financial Statements disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our trading, our profitability or the value of our assets or our ability to pay our liabilities within the next 12 months.

V. Disclosure Pertaining to Willful Defaulter(s) or Fraudulent Borrower(s)

Neither our Company, nor our Promoters and Directors have been categorized or identified as willful defaulters or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

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GOVERNMENT AND OTHER STATUTORY APPROVALS

In view of the licenses / permissions / approvals / no-objections / certifications / registrations, from the Government of India and various statutory / regulatory / governmental authorities listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or statutory or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as on the date of the Draft Letter of Offer. The license granted by RBI to the Company to continue and function as a NBFC is still in place and it does not need any renewal. The Company has not been prevented by any authorities in continuing their business and also which mandates any prior approval.

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, refer to the chapter titled *Objects of the Issue* beginning at page 46.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board passed at its meeting held on July 29, 2024, pursuant to Section 62(1)(a) of the Companies Act, 2013.

This Draft Letter of Offer has been approved by our Board of Directors pursuant to its resolution dated [●]. The terms and conditions of the Issue including the Rights Entitlement, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Rights Issue Committee at its meeting held on [●].

The Rights Issue Committee in its meeting held on [●], has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders, at ₹[●] per Rights Equity Share of face value of ₹ 10 each (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹[●] crore and the Rights Entitlement as [●] i.e. [●] Rights Equity Share for every [●] fully paid-up Equity Share of face value of ₹ 10 each, held as on the Record Date. The Issue Price has been arrived at by our Company prior to determination of the Record Date. On Application, Investors will have to pay ₹ [●] ([●] % of the Issue Price) per Rights Equity Share. The balance amount (after payment of the Application Money), ₹ [●] ([●]% of the Issue Price) per Rights Equity Share, will be payable by the Rights Equity Shareholders in one or more subsequent Call(s), with terms and conditions such as the number of Calls and the timing and quantum of each Call as may be decided by our Board/ Rights Issue Committee from time to time to be completed on or prior to [●], pursuant to the Payment Schedule.

Our Company has received in-principle approval from BSE pursuant to Regulation 28(1) of SEBI (LODR) Regulations, vide its letter dated [●] for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make applications to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of Allottees. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled *Terms of the Issue* beginning on page 129 of this Draft Letter of Offer.

Prohibition by SEBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, our Directors and person(s) in control of our Promoter or our Company have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, our Promoter and Directors are not promoter(s) or director(s) 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 are associated with entities operating in the securities market.

Neither our individual Promoters nor any of our Directors have been declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Prohibition by RBI

Neither our Company nor our Promoter or any of Directors have been identified or categorized as *Wilful Defaulter(s)* or *Fraudulent Borrower(s)*.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III of the SEBI (ICDR) Regulations and other applicable provisions of the SEBI (ICDR) Regulations.

Further, pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Confirmation under Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, Promoters and members of our Promoter Group are in compliance and undertake to comply with the requirements of the Companies (Significant Beneficial Ownership) Rules, 2018, as amended, to the extent applicable, as on the date of this Draft Letter of Offer.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has received in-principle approvals for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000 Lakhs.

As required, only a copy of the Letter of Offer will be submitted to SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER.

Disclaimer clauses from our Company

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

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

CAUTION

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

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

Our Company, directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Disclaimer with respect to jurisdiction

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

Designated Stock Exchange

The Designated Stock Exchange for the purpose of this Issue will be BSE.

Disclaimer Clause of RBI

The Company is having a valid certificate of registration, dated March 07, 2005, issued by the RBI under Section 45 IA of the RBI Act, 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for the repayment of deposits/discharge of liabilities by the Company.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer shall be submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with BSE and submission to SEBI and RoC.

Filing

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require our company to file Draft Letter of Offer with SEBI. However, the Draft Letter of Offer will be submitted to SEBI for information and dissemination purposes, and will be filed with the Stock Exchange.

Listing

The Rights Equity Shares offered through the Letter of Offer are proposed to be listed on BSE. Applications will be made to the Stock Exchange for obtaining permission for listing and trading of the Rights Equity Shares. BSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of:

- (a) each of our Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Banker to Company, Legal Advisor, Registrar to the Issue, Statutory Auditor, have been obtained, and such consents have not been withdrawn up to the time of delivery of this Draft Letter of Offer;
- (b) Banker(s) to the Issue will be obtained and filed along with a copy of the Letter of Offer with the RoC as required under Sections 26 and 32 of the Companies Act, 2013.

Experts to the Issue

Our Company has not obtained any expert opinions.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue in the preceding 1 (one) years.

Stock Market Data of Equity Shares of our Company

For stock market data, see *Market Price Information* beginning on page 114.

OFFERING 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 the Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter, Application Form (collectively Issue Materials) and the issue of Rights Equity Shares on a rights basis, to persons in certain jurisdictions outside India may be 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.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will dispatch the Issue Materials only to the Eligible Equity Shareholders (i) who have provided an Indian address, and (ii) who are foreign corporate or institutional Shareholders in Identified Jurisdictions.

In case such 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 such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchange.

Our Company shall also endeavor to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with the Stock Exchange. Accordingly, the

Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed, in whole or in part, in any jurisdiction other than India and to foreign corporate or institutional Shareholders in Identified Jurisdictions, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an invitation or offer in those jurisdictions in which it would be illegal to make such an invitation or offer or would subject the Company or its Affiliates to any filing or registration requirements (other than India) and, in those circumstances, the Issue Materials must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed.

Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send such document in or into the United States or any other jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject the Company to any filing or registration requirement (other than in India). If the Issue Materials 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. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer.

Any person who makes an application to acquire Rights Entitlement and the Rights Equity Shares offered in this Issue will be deemed to have represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction. If such person is (a) in the United States, such person is a U.S. QIB, or (b) outside India and the United States, such person is a corporate person, and in each case permitted to acquire the Rights Entitlements and the Rights Equity Shares offered in the Issue under the laws of such jurisdiction. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted and agreed, by accepting the delivery of the Letter of Offer and Application Form, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any Restricted Jurisdiction.

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

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, THE LETTER OF OFFER AND ABRIDGED LETTER OF OFFER SHOULD NOT BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR, AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX, AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

The Rights Entitlement and Rights Equity Shares have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Rights Entitlements and Rights Equity Shares referred in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the rights equity shares and/or rights entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not and under no circumstances is to be construed as an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, Issue Materials 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 the Rights Equity Shares and/or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, (A) in the United States when the buy order is made, or (B) outside India or the United States, and not a corporate person acquiring the Rights Entitlements or Rights Equity Shares in compliance with laws of such other jurisdiction.

No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under the Letter of Offer or where any action would be required to be taken to permit the Issue. Our Company is making the Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer or Application Form only to Eligible Equity Shareholders (i) 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 and (ii) who are foreign corporate or institutional Shareholders in Identified Jurisdictions.

Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have represented, warranted, and agreed, by accepting the delivery of the Letter of Offer, that they are not, and at the time of subscribing for the Rights Equity Shares or Rights Entitlements, they will not be, in the United States when the buy order is made, and (a) are either in India, or (b) are located in a jurisdiction where the offer and sale of the Rights Entitlements and Rights Equity Shares is permitted under the laws of such jurisdiction, and are authorized to acquire the Rights Entitlement and the Rights Equity Shares in compliance with all applicable laws 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, electronically transmitted, or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/or the Rights Entitlements is not permitted under laws of such jurisdictions; (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, is from an Identified Jurisdiction and is complying with laws of jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

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

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the US SEC), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company are 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.

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

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements in compliance with the Listing Agreements and the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI circular no. CIR/OIAE/2/2011 dated June 3, 2011, and shall comply with the SEBI circular bearing reference number SEBI/HO/OIAE/CIR/P/2023/156 dated September 20, 2023, and any other circulars issued in this regard. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders' Relationship Committee which meets at least once every 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. Skyline Financial Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with our Company Secretary and Chief Compliance Officer.

The Investor complaints received by our Company are generally disposed of within [●] from the date of receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please see *Terms of the Issue* beginning on page 129.

The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

Name: Skyline Financial Services Private Limited
Address: D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi-110020
Telephone: 011-40450193-97 & 011-26812682-83
Email: ipo@sklinerta.com
Contact person: Anuj Rana
Website: www.skylinerta.com
SEBI Registration No.: INR000003241
CIN: U74899DL1995PTC071324

Company Secretary and Compliance Officer

Dharmender Kumar is the Company Secretary and Compliance Officer of our Company. His details are as follows:

Dharmender Kumar

23, II Floor, North West Avenue,
Club Road, West Punjabi Bagh,
New Delhi – 110026, India

Telephone: 011-25223461, 25221200

Email: panafic.industrials@gmail.com

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SECTION IX – 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 accurately filled up in accordance with the instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA facility or any other mode which may be notified by SEBI. For guidance on the application process through ASBA and resolution of difficulties faced by investors, you are advised to read the frequently asked question on the website of the Registrar at www.skylinerta.com.

The Rights Entitlement on the Equity Shares, 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 Equity Shares 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 Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to the Rights Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue is proposed to be undertaken on a rights basis and is 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, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations, the SEBI ICDR Master Circular and the guidelines, notifications, circulars and regulations issued by SEBI, the RBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchange and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Master Circular, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their 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 such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

- (i) our Company at www.panaficindustrialsltd.in
- (ii) the Registrar at www.skylinerta.com; and
- (iii) the Stock Exchange at www.bseindia.com

To update the respective Indian addresses/e-mail addresses/phone or mobile numbers in the records maintained by the Registrar or by our Company, Eligible Equity Shareholders should visit www.skylinerta.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.skylinerta.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. 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 not sending the physical copies of Issue materials, including this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of this Draft Letter of Offer, 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.

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, 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 the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, 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 this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations

or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, 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 this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or its affiliates to make any filing or registration (other than in India). Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Draft Letter of Offer, the Letter of Offer, 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 addresses 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 THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI ICDR Master Circular and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 142 of this Draft Letter of Offer.

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 the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that 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 carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account

details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see “Grounds for Technical Rejection” on page 138.

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 “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” on page 134.

Options available to the Eligible Equity Shareholders

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

Details of each of the Eligible Equity Shareholders’ Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at www.skylinerta.com and link of the same would also be available on the website of our Company at www.panaficindustrialsltd.in. Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

If the Eligible Equity Shareholder applies in the 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 SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

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

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of

the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

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

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

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 read with press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not apply if you have not provided an Indian address.
- (c) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.
- (d) Do not send your physical Application to the Registrar, the Bankers to the Issue (assuming that such Bankers to the Issue are not SCSB's), 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.
- (e) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (f) Do not submit Application Form using third party ASBA account.

- (g) Avoiding applying on the Issue Closing Date due to risk of delay/restriction in making any physical Application.
- (h) Do not submit Multiple Application Forms.
- (i) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (j) Do not pay the Application Money in cash, by money order, pay order or postal order.

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

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

In such cases of non-receipt of the Application Form through 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 that is available on the website of the Registrar, Stock Exchanges, along with the requisite Application Money, to subscribe to the Issue on plain paper with the same details as per the Application Form that is available online.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

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

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

1. Name of our Company, being Panafic Industrials Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Rights Equity Shares entitled to;
8. Number of Rights Equity Shares applied for within the Rights Entitlements;
9. Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Rights Equity Shares applied for;
11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/ FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements and shall include the following:

“I/ We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, 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.skylinerta.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making of an Application by Eligible Equity Shareholders holding Equity Shares in physical form

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, 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 clear Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two clear Working Days prior to the Issue Closing Date;
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The remaining procedure for Application shall be same as set out in *“Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process”* on page 134 of this Draft Letter of Offer.

In accordance with the SEBI ICDR Master Circular, Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts

within prescribed timelines, can apply for Additional Rights Equity Shares while submitting the Application through ASBA process.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “Basis of Allotment”.

Eligible Equity Shareholders who renounce their Rights Entitlements in full or part, cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

Investors 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 shareholder / renounee 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 134 of this Draft Letter of Offer.

Additional general instructions for Investors in relation to making of an Application

- (a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of 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 “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” on page 134.
- (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 BSE.
- (e) Applications should not be submitted to the Banker to the Issue, 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.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation (“Demographic Details”) are updated, true and correct, in all respects. Investors applying under the 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 the 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.
- (h) The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall bear the sole risk of the Investors and none of our Company, the SCSBs, or the 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.
- (i) 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.
- (j) 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.
- (k) 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.
- (l) 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.
- (m) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the 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.

- (n) Investors are required to ensure that the number of Rights Equity Shares applied for by them does not exceed the prescribed limits under the applicable law.
- (o) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (p) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (q) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (r) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (s) Do not submit Multiple Applications.
- (t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply in this Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- (u) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Grounds for Technical Rejection

Applications made in the Issue are liable to be rejected on the following grounds:

- (a) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Banker to the Issue, 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, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or

renouncing the Application Form is outside the United States and is 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.
- (s) Applicants not having the requisite approvals to make application in the Issue.
- (t) IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTORS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.
- (u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number 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. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- (v) 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. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (w) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email 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 Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the 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.
- (x) 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) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.
- (y) Application forms supported by the amount blocked from a third party bank account.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and

such Applications shall not be treated as multiple applications. For details, see “*Procedure for Applications by Mutual Funds*” on page 141.

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to the Issue as described in “*General Information – Minimum Subscription*” on page 43.

Procedure for Applications by certain categories of Investors

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis. Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event

- (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations;
- (ii) (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI);
- (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and
- (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

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 233 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 amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government 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

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity-related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with RBI,

- (a) *the certificate of registration issued by RBI under Section 45IA of RBI Act, 1934, and*
- (b) *net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements,*

is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in the section entitled “Basis of Allotment” on page 152.

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.

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 applying through ASBA facility may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

• *Rights Entitlements*

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity

Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.skylinerta.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 (www.panaficindustrialsltd.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 ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the Demat Suspense 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 lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under the Issue for subscribing to the Rights Equity Shares offered under the 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 no later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the Demat Suspense Account to their respective demat accounts, at least one day before the Issue Closing Date. 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.skylinerta.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 ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to the

- (i) demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and
- (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to:
 - (a) Equity Shares held in the account of the IEPF authority; or
 - (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI

- 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 clear 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 the 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, is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

- ***Renouncees***

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renouncee(s) as well.

- ***Renunciation of Rights Entitlements***

The 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 Exchange or through an off-market transfer.

- ***Procedure for Renunciation of Rights Entitlements***

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange (the “On Market Renunciation”); or (b) through an off-market transfer (the “Off Market Renunciation”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two Working Days prior to Issue Closing Date, such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock-broker in the same manner as the existing Equity Shares of our Company. In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN: [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN: [●] and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchange under automatic order matching mechanism and on T+1 rolling settlement basis, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Under the ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer and the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income- Tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see “*The Issue*” beginning on page 37.

• *Fractional Entitlements*

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Equity Share for every [●] ([●]) Equity Shares of face value of ₹ 1/- each held on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares of face value of ₹ [●] each or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlement applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares of face value of ₹10 each as on Record Date shall have ‘zero’ entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of one additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares.

However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

- ***Ranking***

The 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 issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue, shall rank pari passu with the existing Equity Shares, in all respects including dividends.

- ***Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue***

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company will apply to the Stock Exchanges 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, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed and traded on BSE (Scrip Code: **538860**) under the ISIN: **INE655P01029**. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

- ***Subscription to this Issue by our Promoter and members of our Promoter Group***

For details of the intent and extent of subscription by our Promoter and members of our Promoter Group, see “*Capital Structure*” on page 44.

- ***Rights of Holders of Equity Shares of our Company***

Subject to applicable laws, Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- (a) The right to receive dividend, if declared;
- (b) The right to receive surplus on liquidation;
- (c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- (d) The right to free transferability of Rights Equity Shares;
- (e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in this Draft Letter of Offer; and
- (f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

- ***Market Lot***

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share.

- ***Joint Holders***

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

- ***Nomination***

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

- ***Arrangements for Disposal of Odd Lots***

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Equity Share and hence, no arrangements for disposal of odd lots are required.

- ***Restrictions on transfer and transmission of shares and on their consolidation/splitting***

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to the provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

- **Notices**

Our Company will send through email and speed post, the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer, Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation (Hindi also being the regional language of Delhi, where our Registered Office is situated).

This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

- **Offer to Non-Resident Eligible Equity Shareholders/Investors**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident equity shareholders including additional rights equity shares.

Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein,

- (i) subscribe for additional shares over and above their rights entitlements;
- (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or
- (iii) apply for the shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice.

If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.skylinerta.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 the Our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges.

Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The 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. The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue and our Company by submitting their respective copies of self-attested proof of address, passport, etc. at www.skylinerta.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. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 153.

VIII. ISSUE SCHEDULE

Last Date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements¹	[●]
Issue Closing Date²	[●]
Finalisation of Basis of Allotment (On or About)	[●]
Date of Allotment (on or about)	[●]
Initiation of refunds	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

- 1. 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.*
- 2. Our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.'*

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 no later than two clear Working Days prior to the Issue Closing Date, i.e., [●], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such Shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.skylinerta.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.skylinerta.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 (www.panaficindustrialsltd.in).

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 Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (d) Allotment to Renouncee(s) 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 having due regard to the number of Rights Entitlement held by them as on Issue Closing Date and in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be '*unsubscribed*'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

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 on or before 15 days from issue closing date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15-day 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 a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

- ***Mode of making refunds***

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 RBI, where such facility has been made available. This would be subject to availability of complete bank account details including a Magnetic Ink Character Recognition (“**MICR**”) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
- (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 364 Code**”), which can be linked to a MICR, allotted to that particular bank branch. The 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 Banker(s) 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 favour 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.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

- ***Receipt of the 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 (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING

DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/ FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, 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:

- (a) Tripartite agreement dated February 3, 2014, amongst our Company, NSDL and the Registrar to the Issue; and
- (b) Tripartite agreement dated October 30, 2013, amongst our Company, CDSL and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

- 1) Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- 2) It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- 3) The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- 4) If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- 5) The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide 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, on their registered email address or through physical dispatch.

- 7) Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- 8) Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
- 9) Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, and who have not provided the details of their demat accounts to our Company or to the Registrar at least two clear Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue.

XIII. IMPERSONATION

Attention of the Investors 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.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹0.10 crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.)

Further, where the fraud involves an amount less than ₹0.1 crore 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 ₹0.50 crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. all monies received out of this Issue shall be transferred to a separate bank account;
- B. details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; 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 by our Board within the time limit specified by SEBI.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. No further issue of securities shall be made till the securities offered through the Letter of Offer are listed or till the application monies are refunded on account of non-listing, under subscription, etc., other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
5. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
6. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
7. Adequate arrangements shall be made to collect all ASBA Applications.
8. As on date, our Company does not have any convertible debt instruments.
9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer must be addressed (quoting the registered folio number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed “Panafic Industrials Limited – Rights Issue” on the envelope and postmarked in India) to the Registrar at the following address:

Skyline Financial Services Private Limited

Address: D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi- 110020

Tel: 011-40450193-97 & 011-26812682-83

E-mail: ipo@sklinerta.com

Contact person: Anuj Rana

Website: www.skylinerta.com

SEBI Registration No.: INR000003241

3. In accordance with SEBI ICDR Master Circular, 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.skylinerta.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-40450193-97 & 011-26812682-83.

4. The Investors can visit following links for the below-mentioned purposes:
- (a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.skylinerta.com;
 - (b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.skylinerta.com;
 - (c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.skylinerta.com;
 - (d) Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: www.skylinerta.com.

This Issue will remain open for a minimum seven days. However, our Board or the Rights Issue Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB.

Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

Further, the sectoral cap applicable to the sector in which our Company operates is 100%, which is permitted under the automatic route.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that

- (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations;
- (ii) the non- resident shareholding is within the sectoral limits under the FDI Policy; and
- (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“**Restricted Investors**”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the issue as an incorporated non-resident must do so in accordance with the FDI Policy and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

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SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this 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 abovementioned contracts and also 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 will also be available on the website of our Company, i.e., www.panaficindustrialsltd.in/, from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Registrar Agreement dated [●] between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue;

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our company, as amended.
2. Certificate of incorporation dated January 01, 1985.
3. Certificate of commencement of business dated January 16, 1985.
4. Consents of the Directors, Company Secretary and Compliance Officer, Statutory Auditor, Bankers to the Company, the Registrar to the Issue, and Legal Advisor to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
5. Consent letter dated March 22, 2025 from our Statutory Auditor, Sudhir Agarwal & Associates, Chartered Accountants to include their name in this Draft Letter of Offer in respect of the Restated Financial Statements and the reports issued by them, and the statement of special tax benefits dated March 22, 2025, included in this Draft Letter of Offer.
6. Registration Certificate of RBI to carry on the NBF (Non-Bank Financial Institution) activities under Reserve Bank of India Act, 1934 and falls under category of non-deposit accepting Non-Banking Financial Company bearing Registration no. B.14.03057 dated March 07, 2005.
7. Copies of Annual Reports of our Company for the last three Financial Years for the Financial Year ending March 31, 2024, March 31, 2023, and March 31, 2022.
8. Copy of the Resolutions passed by our Board date July 29, 2024 approving the Rights Issue and other related matters.
9. Copy of the Resolutions of the Board of Directors dated March 29, 2025 approving and adopting Draft Letter of Offer.
10. Copy of the Resolutions dated [●], finalizing the terms of the issue including Issue Price, Record Date and the Rights Entitlement Ratio.
11. Copy of the Resolutions of our Board dated [●] approving the adopting the Letter of Offer.

12. Copy of Restated Financials of our Company for the financial year ended on March 31, 2024, March 31, 2023 and March 31, 2022 and for the period of nine months ended December 31, 2024.
13. Statement of Special Tax Benefits dated March 22, 2025, by M/s Sudhir Agarwal & Associates, Chartered Accountants.
14. In-principle listing approvals dated [●] issued by BSE.
15. Tripartite Agreement dated February 3, 2014, between our Company, NSDL and the Registrar to the Issue.
16. Tripartite Agreement dated October 30, 2013, between our Company, CDSL and the Registrar to the Issue.

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 Eligible Equity Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

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DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Sarita Gupta

Managing Director

Date: 29.03.2025

Place: Delhi

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Renu

Non-Executive Independent Director

Date: 29.03.2025

Place: Delhi

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

Duraiswamy Basuvaiah

Non-Executive Independent Director

Date: 29.03.2025

Place: Delhi

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sd/-

R.S. Chandan

Non-Executive Independent Director

Date: 29.03.2025

Place: Delhi

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Aarushi Gupta

Chief Financial Officer

Date: 29.03.2025

Place: Delhi

DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act, or the rules made thereunder, or regulations issued thereunder, as the case may be. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY

Sd/-

Dharmender Kumar

Company Secretary and Compliance Officer

Date: 29.03.2025

Place: Delhi