ASIT C MEHTA FINANCIAL SERVICES LIMITED

Asit C Mehta Financial Services Limited ("Company" or "Issuer") was originally incorporated as "Northern India Leasing Limited" on January 25, 1984, as a public limited company under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Thereafter, the name of our Company was changed to "Nucleus Securities Limited" pursuant to fresh certificate of incorporation consequent on change of name dated July 08, 1993, issued by the Registrar of Companies, Delhi and Haryana at New Delhi. The registered office of our Company was shifted to Maharashtra and was registered with the Registrar of Companies, Mumbai, Maharashtra with effect from July 26, 1995. Thereafter, the name of our Company was changed to "Nucleus Netsoft and GIS (India) Limited" pursuant to fresh certificate of incorporation consequent on change of name dated May 31, 2006, issued by the Registrar of Companies, Mumbai, Maharashtra. The Registered Office of our Company is situated at Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072 Maharashtra, India. Subsequently, the name of our Company was changed to "Asit C Mehta Financial Services Limited" on September 11, 2008, vide an amended certificate of incorporation issued by the Registrar of Companies, Mumbai. For further details of change in name and registered office of our Company, please refer to "***General Information***" beginning on page **37** of this Draft Letter of Offer.

Registered Office: Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai - 400 072, Maharashtra, India

Contact person: Mr. Jaideep Vaidya

Telephone: +91 022-28583333 / 61325757 | **E-mail id:** compliance@acm.co.in | **Website**: https://www.acmfsl.com/

Corporate Identity Number: L65900MH1984PLC091326

PROMOTERS OF OUR COMPANY: ASIT CHIMANLAL MEHTA, DEENA ASIT MEHTA, ASIT CHIMANLAL MEHTA HUF, JAYESH T DESAI HUF, GOPA JAYESH DESAI, RUPA ATUL SHAH AND CLIQTRADE STOCK BROKERS PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ASIT C MEHTA FINANCIAL SERVICES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

WILLFUL DEFAULTERS OR FRADULENT BORROWER

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

ISSUE OF UP TO 3293452 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10/- EACH (THE "RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹151.44/- PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹141.44/- PER EQUITY SHARE) (THE "ISSUE PRICE") AGGREGATING UP TO ₹ 4,987.60 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 133 RIGHTS EQUITY SHARE FOR EVERY 200 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS [●] (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "*TERMS OF THE ISSUE*" BEGINNING ON PAGE 179 OF THIS DRAFT LETTER OF OFFER.

#Assuming full subscription.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares in the Issue being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "***Risk Factors***" beginning on page 21 of this Draft Letter of Offer before making an investment in this Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

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

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C-101, 247 Park, L B S Marg,
Vikhroli (West), Mumbai – 400 083
Maharashtra, India
CIN: U67190MH1999PTC118368
Tel: +91 22 49186200
Fax: +91 22 49186060
Email: asitcmehta.rights@linkintime.co.in
Website: https://www.linkintime.co.in/
Investor grievance e-mail: asitcmehta.rights@linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI registration no.: INR000004058

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

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

 # Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 (thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of 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, requires 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, clarification or policy as amended, supplemented, re-enacted, or modified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

The following list of capitalised terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

*Provided that terms used in "**Summary of Draft Letter of Offer**", "**Statement of Possible Special Tax Benefits**", "**Consolidated Financial Statements**", "**Outstanding Litigation and Material Developments**" and "**Terms of the Issue**" beginning on pages 19, 47, 97, 166, and 179 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections.*

Company Related Terms

Term	Description
"Articles of Association or Articles"	Articles of Association of our Company, as amended from time to time.
"Company", "Our Company", "the Company", "the Issuer" or "Asit C Mehta Financial Services"	Asit C Mehta Financial Services Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Pantomath Nucleus House, Saki-Vihar Road, Andheri (E) , Mumbai, Maharashtra - 400072, India
"We", "Our", "Us", or "our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company along with our Subsidiaries, on a consolidated basis
"Audit Committee"	The committee of the Board of Directors constituted as our Company's Audit Committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Section 177 of the Companies Act, 2013. For details, see "***Our Management – Committees of our Board***" on page 91 of this Draft Letter of Offer.
"Auditors" or "Statutory Auditors"	Statutory auditors of our Company, being, Manek And Associates, Chartered Accountants.
"Board of Directors", or "Board" or "our Board"	Board of directors of our Company or any duly constituted committee thereof.
"Chief Financial Officer/ CFO"	The Chief Financial Officer of our Company, being Mr. Binoy Kantilal Dharod.
"Company Secretary and Compliance Officer"	Compliance Officer of our Company, being Mr Jaideep Vaidya.
"Directors"	Directors on our Board, as may be appointed from time to time.
"Equity Shareholder"	A holder of Equity Shares of our company.
"Equity Share(s)"	Equity share(s) of face value of ₹10/- each of our Company.
"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 "***Our Management***" beginning on page 91 of this Draft Letter of Offer.
"ISIN"	International Securities Identification Number being INE041B01014.
"Key Managerial Personnel" or "KMP"	Key managerial personnel of our Company determined in accordance with Regulation 2(1)(bb) of the SEBI ICDR Regulations and as disclosed in "***Our Management***" beginning on page 91 of this Draft Letter of Offer.

"Memorandum of Association" or "MOA"	Memorandum of Association of our Company, as amended from time to time.
"Nomination and Remuneration Committee"	Nomination and remuneration committee of our Board, as described in "***Our Management – Committees of our Board***" on page 91 of this Draft Letter of Offer.
"Non-Executive and Independent Director"	Non-executive and independent directors of our Company, unless otherwise specified.
"Promoter"	The promoters of our Company, being Asit Chimanlal Mehta, Deena Asit Mehta, Asit Chimanlal Mehta HUF, Jayesh T Desai HUF, Gopa Jayesh Desai, Rupa Atul Shah and Cliqtrade Stock Brokers Private Limited.
"Promoter Group"	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations.
"Registered Office"	Registered office of our Company situated at Pantomath Nucleus House, Saki-Vihar Road, Andheri (E), Mumbai, Maharashtra - 400072, India.
"Audited Consolidated Financial Statements"	The audited consolidated financial statements of our Company for the year ended March 31, 2023 which comprises the consolidated balance sheet as at March 31, 2023, the consolidated statement of profit and loss including other comprehensive Income, the consolidated statement of cash flows and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.
"Stakeholders' Relationship Committee"	Stakeholders' relationship committee of our Board, as described in "***Our Management – Committees of our Board***" on page 91 of this Draft Letter of Offer.
"Subsidiaries"	Subsidiaries of our Company are Asit C Mehta Investment Intermediates Limited (ACMIIL) and Edgytal Fintech Investment Services Private Limited.
"Shareholders" or "Equity Shareholders"	Holders of the Equity Shares of our company from time to time.
"Stock Exchange" / "BSE"	The Stock Exchange where the Equity Shares are presently listed, being BSE Limited.

Issue Related Terms

Term	Description
"Abridged Letter of Offer" or "ALOF"	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under the Issue in addition to the Rights Entitlement.
"Allotment" or "Allot" or "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue.
"Allotment Accounts"	The accounts opened with the Banker(s) to the Issue, into which the Application Money lying in the escrow account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants, will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
"Allotment Account Bank(s)'	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being ICICI Bank.
"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
"Allottee(s)"	Person(s) to whom the Rights Equity Shares are allotted pursuant to the Issue
"Applicant(s)" or "Investor(s)"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer

"Application"	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price
"Application Form"	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 Circulars"	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
"Banker(s) to the Issue"	Collectively, Escrow Collection Bank, the Allotment Account Bank and the Refund Bank in this case being ICICI Bank
"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 consultation with the Designated Stock Exchange in the Issue, as described in "***Terms of the Issue***" beginning on page 179
"Call/ First and Final Call"	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Money.
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on the website of SEBI updated from time to time, or at such other website(s) as may be prescribed by the SEBI from time to time.
"Demographic Details"	Details of Investors including the Investor's address, Investor status, PAN, DP ID, Client ID, bank account details and occupation, where applicable.
"Designated SCSB Branch(es)"	Such branches of the SCSBs which shall collect the Applications, used by the Investors and a list of which is available on the website of SEBI and/or such other website(s) as may be prescribed by the SEBI from time to time.
"Designated Stock Exchange"	BSE Limited.
"Draft Letter of Offer"	This draft letter of offer dated [●] filed with SEBI in accordance with the SEBI ICDR Regulations.
"Eligible Equity Shareholder(s)"	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "***Notice to Investors***" beginning on page 13 of this Draft Letter of Offer.
"Equity Shareholder(s)" or "Shareholders"	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "***Notice to Investors***" on page 13 of this Draft Letter of Offer
"Escrow Collection Bank"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom an escrow account will be opened, in this case being, ICICI Bank.
"Fraudulent Borrower(s)"	Fraudulent Borrower as defined under Regulations 2(1)(lll) of the SEBI ICDR Regulations

"Issue/Rights Issue"	Issue of up to 3293452 Equity Shares of face value of ₹ 10 each ("Rights Equity Shares") of our Company for cash at a price of ₹151.44 per Equity Share aggregating up to ₹ 4,987.60 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 133 Rights Equity Share for every 200 Equity Shares held by the Eligible Equity Shareholders on the Record Date.
"Issue Closing Date"	[●]
"Issue Material"	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue.
"Issue Opening Date"	[●]
"Issue Period'	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations
"Issue Price"	₹151.44 per Equity Share
"Issue Proceeds"	The gross proceeds raised through the Issue
"Issue Size"	The Issue of up to 3293452 Rights Equity Shares aggregating up to ₹4,987.60* lakhs
"Letter of Offer"	The final letter of offer to be filed with the Stock Exchange and SEBI
"Listing Agreement"	The uniform listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI LODR Regulations
"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 application
"Net Proceeds"	Issue Proceeds less the Issue related expenses. For further details, see "***Objects of the Issue***" beginning on page 42 of this Draft Letter of Offer.
"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 renouncement 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, circulars issued by the Stock Exchange from time to time and other applicable laws, on or before [●]
"QIBs or Qualified Institutional Buyers"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBIICDR Regulations.
"Record Date"	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, to be decided prior to filing of the Letter of Offer, being [●]
"Refund Bank"	The Banker(s) to the Issue with whom the refund account will be opened, in this case being ICICI Bank
"Registrar Agreement"	Agreement dated July 25, 2023 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
"Registrar to the Issue" or "Registrar" or "Share Transfer Agent"	Link Intime India 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. 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. [●]

"Retail Individual Bidders(s)/ Retail Individual Investor(s)/ RII(s)/RIB(s)"	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1) (vv) of the SEBI ICDR Regulations.
"Rights Entitlement(s)"	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by such Eligible Equity Shareholder on the Record Date, in this case being 133 Rights Equity Shares for every 200 Equity Shares held by an Eligible Equity Shareholder
"Rights Equity Shares"	Equity Shares of our Company to be Allotted pursuant to the Issue.
"Rights Entitlement Letter"	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible on the website of our Company and Registrar.
"SCSB(s)"	Self-certified syndicate bank(s) 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 Rights Issue Circulars"	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD /DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number 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 SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021
"Self-Certified Syndicate Banks" or "SCSBs"	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time
"Stock Exchange"	Stock exchange where the Equity Shares are presently listed, *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, categorized as a willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters issued
"Working Days"	In terms of Regulation 2(1) (mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by

Conventional and General Terms/ Abbreviations

Term/Abbreviation	Description/ Full Form
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupee
"Aadhar"	Aadhar card
"AIF(s)"	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
"AS" or "Accounting Standards"	Accounting standards issued by the ICAI

"BSE"	BSE Limited
"CAGR"	Compounded Annual Growth Rate
"CBDT"	Central Board of Direct Taxes, Government of India
"CDSL"	Central Depository Services (India) Limited
"Central Government"	Central Government of India
"CERSAI"	Central Registry of Securitization Asset Reconstruction and Security Interest
"CIBIL"	Credit Information Bureau (India) Limited
"CIN"	Corporate Identity Number
"Civil Code"	Code of Civil Procedure, 1908
"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, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the relevant rules made thereunder
"Consolidated FDI Policy" or "FDI Policy"	Consolidated Foreign Direct Investment Policy notified by DPIIT through notification dated October 28, 2020, issued by DPIIT, effective from October 15, 2020
"CrPC"	The Code of Criminal Procedure, 1973
"CSR"	Corporate Social Responsibility
"Depositories Act"	Depositories Act, 1996
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
"DIN"	Director Identification Number
"DP" or "Depository Participant"	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, Government of India (formerly Department of Industrial Policy and Promotion)
"EBIT"	Earnings before interest and taxes
"EBITDA"	Aggregate of profit/(loss) after tax, tax expense, finance cost and depreciation and amortization for the year/ period
"ECB"	External Commercial Borrowings
"ECB Master Directions"	Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated March 26, 2019, issued by the RBI
"EGM"	Extraordinary general meeting
"EPF"	Employees' provident fund
"EPFO"	Employees' Provident Fund Organization
"EPS"	Earnings Per Share
"EUR"	Euro
"FDI"	Foreign direct investment
"FEMA"	Foreign Exchange Management Act, 1999
"FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year" or "Fiscal Year" or "FY"	Period of 12 months ending March 31 of that particular year
"FIR"	First information report
"FPI"	Foreign portfolio investors as defined and registered under the SEBI FPI Regulations

"FVCI"	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations
"GAAR"	General anti-avoidance rules
"GAAP"	Generally Accepted Accounting Principles in India
"Gazette"	Official Gazette of India
"GIR"	General Index Register
"GOI"	Government of India
"Government"	Central Government and/ or the State Government, as applicable
"GST"	Goods and services tax
"IBC"	The Insolvency and Bankruptcy Code, 2016
"ICAI"	Institute of Chartered Accountants of India
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"Income-tax Act"	Income Tax Act, 1961
"Ind AS"	Indian Accounting Standards as specified under Section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015
"India"	Republic of India
"ISIN"	International Securities Identification Number
"IST"	Indian Standard Time
"IT"	Information Technology
"KYC"	Know Your Customer
"Mn" or "mn"	Million
"Mutual Fund"	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
"NACH"	National Automated Clearing House
"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
"NBFC-SI"	Systemically Important Non-Banking Financial Company
"Net Worth"	Net worth as defined under Regulation 2(1)(hh) of the SEBI ICDR Regulations, i.e., the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off as per the Consolidated balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
"NOF"	Net owned funds
"NR"	Non-resident or person(s) resident outside India, as defined under the FEMA
"NRE"	Non- residential external
"NRE Account"	Non-resident external account
"NRI"	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
"NRO"	Non- resident ordinary
"NRO Account"	Non-resident ordinary account
"NSDL"	National Securities Depository Limited

"OCBs" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
"OCI"	Overseas Citizen of India
"ODI"	Off-shore Derivate Instruments
"p.a. "	Per annum
"P/E Ratio"	Price to Earnings Ratio
"PAN"	Permanent Account Number
"PAT"	Profit After Tax
"PMLA"	Prevention of Money Laundering Act, 2002
"RBI"	Reserve Bank of India
"RBI Master Circular"	Master Circular – Requirement for Obtaining Prior Approval of RBI in Cases of Acquisition / Transfer of Control of NBFCs (DNBR (PD) CC.No.061/03.10.119/2015-16) dated July 1, 2015
"RBI Master Directions"	Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 issued on February 17, 2021
"Regulation S"	Regulation S under the Securities Act
"RoC"	Registrar of Companies, Mumbai
"ROE"	Return on equity
"RoNW"	Return on Net Worth
"RoW"	Rest of the World
"Rule 144A"	Rule 144A under the U.S. Securities Act
"SARFAESI Act" or "SARFAESI"	The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
"SBR Regulations"	Scale Based Regulation for Non-Banking Financial Companies effective from October 1, 2022
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	The Securities and Exchange Board of India, constituted under the SEBI Act
"SEBI Act"	The Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"SEBI FPI Regulations"	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"SEBI FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
"SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI LODR Regulations"	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
"SEBI Rights Issue Circulars"	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard

"SEBI Takeover Regulations"	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"SEBI VCF Regulations"	Erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
"Securities Act" or "U.S. Securities Act"	U.S. Securities Act of 1933, as amended
"Stamp Act"	The Indian Stamp Act, 1899
"STT"	Securities Transaction Tax
"Systemically Important NBFC"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
"State Government"	Government of a state of India
"TAN"	Tax deduction account number
"TDS"	Tax deductible at source
"USD" or "US$"	United States Dollar
"U.S." or "USA" or "United States"	United States of America, its territories or possessions, any state of the United States, and the District of Columbia
"U.S. QIB"	Persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act
"VCFs"	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
"VPN"	Virtual private network

Business and Industry Related Terms

Term/Abbreviation	Description/ Full Form
"AEs"	Advanced Economy
"EM"	Emerging Market
"ECB"	External commercial borrowings
"ECLGS"	Emergency Credit Line Guarantee Scheme
"EPS"	Earnings per Share
"FDI"	Foreign Direct Investment
"FPI"	Foreign Portfolio Investors
"FY"	Fiscal Year
"GDP"	Gross Domestic Product
"GS"	Government Securities
"GST"	Goods and Services Tax
"GVA"	Gross Value Added
"IMF"	International Monetary Fund
"MOU"	Memorandum of Understanding
"SOPs"	Standard Operating Guidelines
"UPI"	Unified Payments Interface
"US/USA"	The United States of America
"US$"	United States Dollar or US Dollar
"WEO"	World Economic Outlook
"YoY"	Year on Year

NOTICE TO INVESTORS

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

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and will send / dispatch the Issue materials will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent the Issue Materials.

Investors can also access the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange. Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

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

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

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

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

NOTICE TO INVESTORS IN THE UNITED STATES

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

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

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

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

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

PRESENTATION OF FINANCIAL INFORMATION AND OTHER INFORMATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements for the year ended March 31, 2023. For further information, see the section entitled '***Consolidated Financial Statements***' beginning on page 97. We have prepared our Audited Consolidated Financial Statements in accordance with Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. Our Company publishes its financial statements in Indian Rupees. The Audited Consolidated Financial Statements should be read along with the report issued thereon. There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's 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, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12-month period ending on March 31 of that particular calendar year. 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. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 100,000 and one million represents 10,00,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "***Risk Factors***", "***Our Business***", "***Management's Discussion and Analysis of Financial Conditions and Results of Operation***" and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Consolidated Financial Information.

Exchange Rates

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

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

Currency	Exchange rate as on		
	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	82.78	75.81	73.50

(Source: RBI reference rate)
(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured.

The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *"**Risk Factors**"* on page 21 this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENTS

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

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

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

- Our Company and our Subsidiaries are involved in legal and other proceedings.
- Net Proceeds of the Issue will be utilized by our company for part-repayment or prepayment of unsecured Loans availed by our Promoter.
- As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/ delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.
- One of our Subsidiaries is subject to extensive statutory and regulatory requirements and supervision, which have material influence and consequences for their business operations.
- Our Company has experienced negative cash flow in the past and may continue to do so in the future, which could have a material adverse effect on our business, prospects, financial condition, cash flows and results of operations.
- General economic and market conditions in India and globally could have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of cyber – attacks, or inadequacies and security breach in our information technology systems which may adversely affect our business.
- There are operational risks associated with the financial services industry which, if realized, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.
- Our Company has availed unsecured loans from Company's Directors, Corporate promoter, Individual Promoter, inter – Corporate Loans, and unrelated third party, which may be recalled on demand.
- We face significant competition in our business, which may limit our growth and prospects.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see **"*Risk Factors*", "*Our Business*"** and **"*Management's Discussion and Analysis of Financial Position and Results of Operations*"** beginning on pages 21, 82 and 157 respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures and terms of the Issue included in this Draft Letter of Offer and is 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 the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including "***Risk Factors***", "***Objects of the Issue***", "***Our Business***" and "***Outstanding Litigation and Material Developments***" beginning on pages 21, 42, 82 and 166, respectively.

Summary of Primary Business

Asit C. Mehta Financial Services Limited (ACMFSL), is a leading technology led integrated financial services organization having presence through its subsidiary companies Asit C. Mehta Investment Interrmediates Limited (ACMIIL) and Edgytal Fintech Investments Services Private Limited these services includes Stock Broking, Portfolio Management Services, Wealth Management and FINTECH. We believe the purpose of our existence is to provide appropriate financial services to every Indian entity.

We help our investors to invest in listed equity through BSE and NSE. The products and services offered on the stock exchanges include Cash, derivatives, currency and interest rate derivatives. The company also offers advisory products through PMS, Research services and Ibaskets and mutual funds. Fixed income products such as Company fixed deposits, Treasury Bills, RBI bonds are offered. Additional investment transactions done on the exchange platform include IPO, offer for sale (OFS) Offer to Buy (OTB). Certain saving products such as Sovereign Gold Bonds and Digital gold are also offered. Margin funding facility is also provided by us. All the services are offered on the Digital Platform called Investmentz, this platform is available on App, and Internet based trading platform and CTCL.

ACMIIL is registered with SEBI as member of BSE, NSE and Central Depository. ACMIIL is also registered with SEBI to provide PMS and Research Analyst Services. ACMIIL holds a stock of appx Rs. 4000 crore in Depository on behalf of clients and Rs. 100 crore in advisory services. As on 18th August, 2023 we have 145592 registered investors, 153 Authorized Persons, 197 business associates and 780 (number) marketing agents. We have presence in appx. 218 cities in terms of our retail presence.

For further details, please refer to the chapter titled "***Our Business***" at page 82 of this Draft Letter of Offer.

Objects of the Issue

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

(₹ In Lakhs)

Sr No	Purpose	Estimated Amount (as at November 20, 2023)
1.	Conversion of loan of Cliqtrade Stock Brokers Private Limited	2,744.60
2.	Repayment of outstanding loans of existing promoters Mrs. Deena Mehta and Mr. Asit Mehta	1,109.84
3.	Repayment of Inter-corporate loans (Phase Holdings Private Limited, Midland Leisure and Entertainments Private Limited and Natural Hut Private Limited)	310.00
4.	Acquisition of shares of Omniscience Capital Advisors Private Limited	250.00
5.	Acquisition of 2,48,350 Equity Shares of ACMIIL from Mr. Kirit Vora	131.63
6.	General corporate expenses*	441.53
	Total	**4,987.60**

*The amount to be utilized for General Corporate Purposes shall not exceed 25% of the Gross Proceeds.

For further details, please see chapter titled "***Objects of the Issue***" beginning on page 42 of this Draft Letter of Offer.

Intention and extent of participation by Promoter and Promoter Group

Cliqtrade Stock Brokers Private Limited, our Promoter has, vide letter (the "Subscription Letter") undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of all the Rights Entitlement of other Promoters or member(s) of the Promoter Group of our Company.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4) (b) of the Takeover Regulations as conditions mentioned therein have been fulfilled in accordance with provisions of the Takeover Regulations.

Our Company is compliant with the minimum public shareholding requirements pursuant to the Issue under Regulation 38 of the SEBI Listing Regulations

Summary of Outstanding Litigations and Defaults

A summary of the pending tax proceedings and other material litigations involving our Company and our Subsidiaries is provided below:

Litigation involving our Company

(₹ in Lakhs)

Sr. No.	Type of Proceeding	No. of cases	Amount involved, to the extent quantifiable
A	Proceedings involving moral turpitude or criminal liability on our Company	**0**	**0**
B	Proceedings involving material violations of statutory regulations by our Company	**5**	**413.35**
C	Matters involving economic offences where proceedings have been initiated against our Company	**0**	**0**
D	Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.	**0**	**0**
	Total	**5**	**413.35**

Litigation involving our Subsidiaries.

Sr. No.	Type of Proceeding	No. of cases	Amount involved, to the extent quantifiable
A	Proceedings involving moral turpitude or criminal liability on our Company	**0**	**0**
B	Proceedings involving material violations of statutory regulations by our Company	**2**	**246.95**
C	Matters involving economic offences where proceedings have been initiated against our Company	**0**	**0**
D	Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Subsidiaries	**2**	**9.52**
	Total	**4**	**256.47**

*For further Details, please refer to the chapter titled "**Outstanding Litigation and Defaults**" at page 166 of this Draft Letter of Offer.*

Risk Factors

Please see the chapter titled "***Risk Factors***" beginning on page 21 of this Draft Letter of Offer.

Summary of Contingent Liabilities

For details regarding our contingent liabilities as per Ind AS 37 for Financial Year 2023, see "**Consolidated *Financial Statements***" beginning on page 97 of this Draft Letter of Offer.

Related Party Transactions

For details regarding our related party transactions as per Ind AS 24 entered by our Company for Financial Year ended March 31, 2023, see *"**Consolidated Financial Statements**"* beginning on page 97 of this Draft Letter of Offer.

Issue of equity shares made in last one year 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.

SECTION II: RISK FACTORS

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

*To obtain a complete understanding, you should read this section in conjunction with the sections "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" on pages 82 and, 157 of this Draft Letter of Offer, respectively.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including the considerations described below and, in the section titled "**Forward-Looking Statements**" on page 17 of this Draft Letter of Offer. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue have independently verified the information in the industry report or other publicly available information cited in this section.*

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Consolidated Financial Information, prepared in accordance with Ind AS, the Companies Act and SEBI ICDR Regulations. In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.

In this section, unless the context requires otherwise, any reference to "we" "us" or "our" refers to our Company together with our Subsidiaries, on Consolidated basis. The risk factors are classified as under for the sake of better clarity and increased understanding.

INTERNAL RISK FACTORS

Business Related Risks

1. Our Company and our Subsidiaries are involved in legal and other proceedings.

Our Company and our Subsidiaries are currently involved in a number of legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The amounts claimed in these proceedings have been disclosed to the extent as certain able and quantifiable. The summary of pending litigation in relation to criminal proceedings, tax proceedings, arbitration matters and actions by regulatory or statutory authorities and other material pending litigation involving our Company and Subsidiaries as on the date of this Draft Letter of Offer has been set out below in the section entitled "***Outstanding Litigation and Material Developments***" on page 166.

(₹ in lakhs)

Name of Entities	**Criminal Proceedings**	**Tax Proceedings**	**Statutory or Regulatory Proceedings**	**Disciplinary against our Company/ Wholly Owned Subsidiaries by SEBI or any Stock Exchange in Last Five Fiscals Years**	**Material Civil and other material Litigations**	**Aggregate Amount Involved (In ₹ Lakhs) ***
Company						
Cases filed	0	0	0	0	0	**0**

Against the Company						
Cases filed by the Company	0	2	0	0	5	1427.14
Material Subsidiary: Asit C Mehta Investment Interrmediates Limited						
Cases filed Against the Company	0	0	0	33	2	32.06
Cases filed by the Company	0	2	0	0	0	198
Subsidiary: Edgytal Fintech Investment Services Private Limited						
Cases filed Against the Company	0	0	0	0	0	0
Cases filed by the Company	0	0	0	0	0	0

**To the extent quantifiable*

Any adverse decisions passed by the courts or tribunals against our Company, or our Subsidiaries will not have an adverse effect on the business, future financial position and results of operations, since the amount involved is not material considering the size of the operations of the Company and its subsidiaries..

2. Net Proceeds of the Issue will be utilized by our company for part-repayment or prepayment of unsecured Loans availed by our Promoter.

Our main Objects of this Issue includes to partly repay or prepay the unsecured loans availed by our Company from our Promoters. These unsecured loans have been utilized by our Company towards partial repayment of our secured loans and augmentation of working capital requirements. For further details, please see the chapter titled "***Objects of the Issue***" beginning on page 42 of this Draft Letter of Offer.

3. As the securities of our Company are listed on Stock Exchange in India, our Company is subject to certain obligations and reporting requirements under the SEBI Listing Regulations. Any non-compliances/ delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

The Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations. There have been instances in the past wherein, our Company has failed to comply with the requirements of the SEBI Listing Regulations in a timely manner.

Our Company endeavors to comply with all such obligations/ reporting requirements, there may be non-disclosures/ delayed/ erroneous disclosures and/ or any other violations which might have been committed by us, and the same may result into Stock Exchanges and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and 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.

4. Our Material Subsidiary, namely ACMIIL, is subject to extensive statutory and regulatory requirements and supervision, which have material influence and consequences for their business operations.

Business activities of few of our Material Subsidiary, namely ACMIIL, is subject to extensive supervision and regulation by the Government and various regulatory authorities, such as SEBI, AMFI, CDSL and the Stock Exchanges. To undertake the business activities, ACMIIL have obtained necessary registrations and approvals under, and they also need to comply with, regulations issued by various regulatory authorities, including, SEBI, RBI, AMFI, CDSL and exchange, including, NSE, BSE, MCX, from time to time. Additionally, ACMIIL needs to ensure compliance with various statutes, such as the SCRA read with the SCRR, the SEBI Act, and various rules, regulations, notifications and circulars issued under such statutes. Further, the business activities of ACMIIL are also subject to periodic inspection by various regulatory authorities, such as SEBI, RBI, CDSL and the exchanges. Any major negative findings against us during such inspections may materially and adversely affect our business and the results of operations.

Additionally, the laws applicable to the business of ACMIIL continue to evolve and may be amended, revised, or replaced in the future by the Government or regulatory authorities, or due to judicial decisions. Further, the Government and regulatory authorities also issue instructions or directions regarding the conduct of our business activities. We cannot assure you that any of the foregoing will not impose onerous conditions on our business activities, or require us to change the systems, policies and procedures established by us for the purposes of compliance with the applicable laws. Any onerous conditions imposed by, or material changes required to our systems, policies and procedures may increase our compliance cost or adversely affect our business operations.

Our attempts to comply with applicable legal requirements may lead to increased costs for compliance. We could be adversely affected if legislations or regulations are expanded or amended to require changes in our business practices, or if such legislations or regulations are interpreted or implemented in ways that negatively affect our business, financial condition, cash flows, results of operations and prospects.

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

We have experienced negative cash flows from our operations, financing and investing activities in some past years, which can be seen in the below table.

(₹ in lakhs)

Financial Years	*Consolidated cash flows from*	*Amount (Rs.)*	*Reasons for negative cash flows*
2022-2023	Operating Activities	(568.74)	Negative cash flows from the Operating Activities were due to Loss During the year and increase in trade receivable, Increase in Trade Payables, Other Current Liabilities and decrease in Other Financial Assets Loans, Advances & Assets.
2021-2022#	Operating Activities	(208.82)	Negative cash flows from the Operating Activities were due to Loss During the year and increase in trade receivable, Increase in Trade Payables, Other Current Liabilities and decrease in Other Financial Assets Loans, Advances & Assets.
	Investing Activities	(2,402.15)	Negative cash flows from the Investing Activities were due to increase in Purchase of Property, Plant Equipment and Purchase/ Acquisition of Investments of the company for the financial year.
2020-21#	Operating Activities	(430.07)	Negative cash flows from the Operating Activities were due to increase in other financial assets & increase in borrowings.
	Financing Activities	(1,865.32)	Negative cash flows from the Financing Activities were due to Increase in Finance costs, Redemption of Preference Share Capital and repayment of Short term borrowings.

 # As per Consolidated financials

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

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

Our business and business of our Subsidiaries is highly dependent on economic and political conditions in India and other countries. In the past, global economic and political conditions have resulted in volatility in, and negative investor sentiment about, the Indian securities markets. Any adverse change in global economic and political conditions may impact, amongst others, the volume of financial assets traded, the number of listed securities and liquidity of the listed securities. Though there have been no instances where change in global economic and political conditions has had a material impact on the business of our Company and its Subsidiaries in the last 3 financial years.

General economic and political conditions in India and globally that affect the Indian securities markets may have a material adverse effect on our business. Global economic and political conditions that may affect the Indian securities markets include macroeconomic and monetary policies, industry-specific trends, mergers and acquisitions activity, legislation and regulations relating to the financial and securities industries, household savings rate, investment in alternative financial instruments, upward and downward trends in the market, business and financial sectors, volatility in security prices, perceived lack of attractiveness of the Indian capital markets, inflation, foreign direct investment, consumer confidence, currency and interest rate fluctuations, and availability of short-term and long-term market funding sources and cost of funding. Moreover, market conditions may change rapidly due to any adverse economic and political conditions, and we may not be able to respond to such changes in a timely manner, or at all. Any adverse impact of general economic or political conditions could materially adversely affect our business, financial condition, cash flows, results of operations and prospects.

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

- The volume of trading in securities that we offer in our brokerage business may be adversely affected by market movements and volatility, thereby reducing our brokerage income.
- The demand for third-party products that we distribute may be adversely affected by market movements and volatility, thereby reducing our commission income.
- we may face higher risk of defaults by clients or counterparties on their contractual obligations.
- we may face increased competition in all our businesses, leading to lower fee and commissions and lower income.
- our treasury operations may be affected by volatility in interest rates.
- our financing costs may increase due to the limited access to liquidity and the capital markets or volatility in interest rates, therebyrestricting our ability to raise funding to develop our business; and
- we may not be able to effectively execute our business plans and strategies.

We have grown in the recent past, with our total income increasing from ₹ 3923.65 lakhs in Financial Year 2021 to ₹ 4154.08 lakhs in Financial Year 2022 and ₹ 3383.24 lakhs in Financial Year 2023.

Any adverse change in the general macroeconomic conditions or in the Indian capital markets may adversely affect our future growth.

7. The operation of our businesses is highly dependent on information technology, and we are subject to risks arising from any failure of cyber – attacks, or inadequacies and security breach in our information technology systems which may adversely affect our business.

Our operations depend on our ability to process a large number of transactions on a daily basis across our network of offices, most of which are connected through computer systems and servers to our head office. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are beyond our control, including a disruption of electrical or communications services, particularly in the rural and semi-urban markets in which we primarily operate. Our operations rely heavily on the effectiveness of our IT systems and their ability to record and process accurately a large number of transactions on a daily basis and in a timely manner to provide a seamless digital experience for our clients.

Our operations also rely on the secure processing, storage transmission of confidential and other information in our computer systems and networks. Our computer systems, servers, software, including software licensed from vendors and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security and result in identity theft including customer data, employee data and propriety business data, for which we could potentially be liable. Our business is particularly susceptible to such disruptions because of our reliance on technology platforms and tools and the higher cost of installation and implementation of technology in the rural and semi-urban markets. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. However, this uncertainty/probability of failure of IT or communication systems exists, and since we are a Company that is dependent heavily on both IT and communication systems.

Though, there are no instances of failure of IT or communication system or breach of cyber security and resultant material impact in the last 3 financial years, nor the Company has received any warning or penalty from any Exchanges or SEBI as of date for the same. A prolonged disruption of, or failure of, our information processing or communications systems would limit our ability to process transactions. Any failure of, or inadequacies in our IT systems would impair our ability to service our clients and execute trades on behalf of clients, which could materially and adversely affect our competitiveness, financial condition, cash flows and results of operations.

8. There are operational risks associated with the financial services industry which, if realized, may have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

Our business income and the business income of our subsidiaries is predominantly derived from the financial services industry by offering various business services. The financial position of our Material Subsidiary as on March 31, 2023, are as below:

(₹ in lakhs)

Sr. No.	Name of Material Subsidiary	Net Worth	Equity Share Capital	Total Assets	Total Liabilities	Turnover	Profit After Tax
1	Asit C Mehta Investment Interrmediates Limited	1780.87	1661.11	8990.78	7209.91	2750.99	(255.44)

There are various operational risks related to the business operations in the financial services industry, such as:

- Human and systems errors, including in the confirmation, entry or settlement of transactions, due to the complexity and high volume of transactions.

- Inadvertent deviations from defined processes and inadvertent errors due to the manual nature of processes.
- Delay or failure to timely transfer, pledge or un-pledge securities to and from depository participants.
- Failure to establish and maintain effective controls and compliance oversight by our authorized persons' network.
- failure of technology in our processes, including risk management and settlement processes, causing errors, or disrupting our operations.
- inadequate technology infrastructure or inappropriate systems architecture.
- inadequate due diligence, including client verification, non-adherence to anti-money laundering guidelines, KYC processes and client needs analysis, in the sales process; etc.
- Non- Performing Asset, Interest rate fluctuations in reference to both borrowing & lending, variation in Credit Ratings, Margin exposure.
- Loss of Client, inaccurate research coverage, change in Industry dynamics.
- changing market trends, inaccurate decision making in portfolio management, inaccurate study of portfolio & market dynamics, change in regulations.
- non-compliance with timelines mentioned in SEBI Regulations, incorrect advice rendered, time escalation etc.

Although there have been no instances of material financial impact on the Company/Material Subsidiaries in the last three financial years, if any of the foregoing occurs anytime in future, it could have a material adverse effect on the business, financial condition, cash-flows, results of operations and prospects of our Material Subsidiaries and our Company.

9. Our Company has availed unsecured loans from Company's Directors, Corporate promoter, Individual Promoter, Inter – Corporate Loans, and unrelated third party, which may be recalled on demand.

For the financial year ending March 31, 2023, March 31, 2022, and March 31, 2021, our Company has outstanding unsecured loans amounting to Rs. 5,707.38 lakhs, Rs. 4,745.32 lakhs, and Rs. 3,511.57 lakhs respectively as unsecured loans from Company's Directors, Corporate promoter, Individual Promoter, inter – Corporate Loans, and unrelated third party, which is repayable on demand to the relevant lenders.

Unsecured Loans	**Security**	**March 31, 2023**	**March 31, 2022**	**March 31, 2021**
4% Redeemable Non-Convertible Debenture 2,00,65,610	Not Applicable as the Loan are unsecured and repayable on demand	2,006.56	2,006.56	2,006.56
Loan from Directors including Interest Accrued ₹ 5,736.12		1,072.56	514.12	213.77
Inter Corporate Deposits (Repayable on Demand and Rate of Interest ranging from 11% to 12%)		2,612.32	2,210.00	1253.15
Others Loan from Mrs. Deena A. Mehta Loan from Mr. Asit C. Mehta Security Deposits		 15.94 - 	 14.64 68.09	 38.09
Total		**5,707.38**	**4,745.32**	**3,511.57**

These loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. In such cases, our Company may be required to repay the entirety of the unsecured loans together with accrued interest. Our Company may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favorable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, cash flows and financial condition. For further details of unsecured loans of our Company, please refer the chapter titled "***Consolidated Financial Statements***" beginning on page 97 of this Prospectus.

10. We face significant competition in our businesses, which may limit our growth and prospects.

The securities industry/ market in India is fragmented and characterized by low barriers to entry. Accordingly, we face significant competition from companies seeking to attract our clients' financial assets. We compete with, amongst other, Indian and Foreign brokerage houses. Our competitors have a broader range of products and services, greater financial and marketing resources, larger customer bases, greater name recognition, more experienced and senior professionals and more established clients as compared to our Company. These competitors may serve all the range of products at one place and may lure more clienteles. We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation, price and convenience.

Further, many of our product and service offerings in the brokerage and distribution businesses are easy to replicate. This increases the risk of competition from commercial banks, service providers and distribution platforms to enter the market. Further, any consolidation in the Indian securities industry would also expose us to competitive pressures. These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures. Our business, financial condition, cash flows, results of operations and prospects may be materially and adversely affected if we are not able to maintain our market position, sustain our growth, develop new products or target new markets. In addition, competitive pressures and regulatory changes may also lead to downward pressures on our brokerage commission rates, which could also affect our financial condition and results or operations.

Further, we are comprehensively dependent on technology in almost every aspect of our business, including sales, risk management, fraud detection, client service and settlement. The Indian securities industry/ market is undergoing rapid and significant technological and other changes. Our competitors could utilize technology, big data and innovation to simplify and improve the client experience, increase efficiencies, redesign products, improve client targeting, alter business models more effectively than or to effect disruptive changes in the Indian financial services industry. If we do not anticipate, innovate, keep pace with, and adapt to, technological and other changes impacting the Indian financial services industry, it could harm our ability to compete in the market, decrease the attractiveness of our products to clients and materially and adversely affect our business, financial condition and results of operations.

11. Our inability to maintain and/or procure adequate insurance coverage in connection with our business may adversely affect us.

Operations of our Company are subject to inherent risks and hazards which may adversely impact our profitability, such as breakdown, malfunctions, sub-standard performance or failures of software, fire, third party liability claims, loss-in-transit for our designs, accidents and natural disasters. We have obtained insurance coverage in respect of certain risks. These policies generally insure our assets against standard fire and special perils. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject- matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

12. Our inability to assess, monitor and manage risks inherent in our business may have an adverse effect on our business and results of operations.

The effectiveness of our risk monitoring and management is limited by the quality, timeliness and availability of data required for the assessment of the risks such as information regarding market, customers and proposed policy changes. Such data may not be accurate or complete in all the cases thereby affecting our ability to access, monitor and manage risks. Our hedging strategies and other risk management techniques may not be fully effective in mitigating all the types of risks that we may face. Largely, our risk management is based on the study of historical market behavior and as a result these studies may not predict the future risks exposures. Any inadequacy in the timely assessment and mitigation of risks may have an adverse effect on our business and the results of operations.

13. Our Promoters, who are also Directors, hold Equity Shares in our Company and are therefore interested in the Company's performance other than remuneration and reimbursement of expenses.

Our Promoters, who are also our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Directors including our Promoters, will exercise their rights as shareholders to the benefit and best interest of our Company. Further, our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with the best interests of the Company or that of minority shareholders.

14. The Company does not have any trademarks in its name. However, there are certain trademarks registered in the name of the Company's subsidiary, Asit C. Mehta Investment Interrmediates Limited, and another subsidiary Edgytal Fintech Investment Services Private Limited has applied for registration of some other trademarks, which are in use by it Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.

As on the date of this Draft Letter of Offer our subsidiary has 8 trademarks registered under the provisions of Trademark Act, 1999. Some of our trademarks are not registered under the provisions of Trademark Act, 1999 and therefore may be subject to counterfeiting or imitation which would adversely impact our reputation and lead to loss of customer confidence, reduced sales and higher administrative costs. Thus, we cannot guarantee that the application for registration of some of our trademarks made by us will be allowed. In case we are unable to obtain the registration for the said trademarks in our name, we may suffer reputation loss, loss of customers etc. as we do not enjoy any statutory protection under the Trademarks Act, 1999 for the aforesaid trademark which is important to retain our brand image. Further, even if our trademarks are registered, we cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill.

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

We have entered into certain transactions with related parties, including with our Promoters, Subsidiaries and Associates for incurred in the ordinary course of our business. For details of the related-party transactions during the last five Financial Years, as per the requirements under Accounting Standard—18— Related Party Disclosures or Ind AS 24 related party disclosures, as applicable, please see the "**Related Party Disclosure**" in section titled "***Consolidated Financial Information***" at page 97 of this Draft Letter of Offer.

Certain related-party transactions also require the approval of our Shareholders in accordance with applicable laws. There can be no assurance that such transactions will be approved. There can also be no assurance that we will be able to maintain existing terms, or in the event of any future transactions with related parties, that such transactions will be on terms favorable to us. While all of our related-party transactions have been conducted on an arms' length basis and all such transactions are adequately disclosed in the section entitled "***Related Party Transactions***" on page 20 and are also approved by the Audit Committee of our Board (including whether such transactions are on an arms' length basis), we cannot assure you that in all such transactions, we could not have achieved more favourable terms than the existing ones.

It is also likely that we will enter into related-party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

16. Major fraud lapses of internal control or failures on part of the employees and could adversely impact the company's business.

Our Company is vulnerable to risk arising from the failure of employees to adhere to approved procedures, system controls, fraud, system failures, information system disruptions, communication systems failure and interception during transmission through external communication channels or networks. Although there are no instances of major fraud, lapse of internal control or failures on part of employees in the last 3 financial years, failure to protect fraud or breach in security may adversely affect our Company's operations and financial performance. Our reputation could also be adversely affected by significant fraud committed by our employees, agents, customers or third parties.

17. Our success depends largely upon the services of our Directors, Promoters and other Key Managerial Personnel and our ability to attract and retain them. Demand for Key Managerial Personnel in the industry is intense and our inability to attract and retain Key Managerial may affect the business and operations of our Company.

The success of our Company is substantially dependent on the expertise and services of our Directors, Promoters and our Key Managerial Personnel. They provide expertise which enables us to make well-informed decisions in relation to our business and our future prospects. Our Company's future performance will depend upon the continued services of these people. Demand for Key Managerial Personnel in the industry is intense. We cannot assure you that we will be able to retain any or all of these, or that our succession planning will help to replace, the key members of our management. The loss of the services of such key members of our management team and the failure of any succession plans to replace such key members could have an adverse effect on our business and the results of our operations. The attrition rate for the financial years 2023, 2022 & 2021 was 18% (annualized), 28% & 35% respectively, however, no impact has been noticed on the business and operations of our Company. Though the attrition rate is low, and no impact has been observed, we cannot assure you that we will be able to retain the services of our Directors, Promoters and other Key Managerial Personnel in the future or that our inability to retain will not have any adverse impact on our business operations.

18. Our future fund requirements, in the form of further issue of capital or securities and/or loans taken by us, may be prejudicial to the interest of the Shareholders depending upon the terms on which they are eventually raised.

We may require additional capital from time to time depending on our business needs. Any further issue of Equity Shares or convertible securities would dilute the shareholding of the existing Shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing Shareholders. If such funds are raised in the form of loans or debt or preference shares, then it may substantially increase our fixed interest/dividend burden and decrease our cash flows, thus adversely affecting our business, results of operations and financial condition.

19. Our ability to pay dividends in the future be affected by any material adverse effect on our future earnings, financial condition or cash flows.

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Although our Company has declared dividends in the past, there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "***Dividend Policy***" on page [●], of this Draft Letter of Offer.

20. Our funding requirements and proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

Our Company proposes to utilize the Net Proceeds for repayment of identified unsecured loans and general corporate purposes. Our proposed deployment of Net Proceeds has not been appraised by a public financial institution or a scheduled commercial bank and is based on management estimates. Our management will have broad discretion to use the Net Proceeds. Various risks and uncertainties, including those set forth in this section, may limit or delay our efforts to use the Net Proceeds to achieve profitable growth in our business. We cannot assure you that use of the Net Proceeds to meet our future capital requirements, fund our growth and for other purposes identified by our management would result in actual growth of our business, increased profitability or an increase in the value of our business.

21. 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 ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilization 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 an external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilization 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, 2013. 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 chapter titled **—** "***Objects of the Issue***" on page 42 of this Draft Letter of Offer.

22. We have not commissioned an industry report for the disclosures made in the chapter titled "Industry Overview" and made disclosures on the basis of the data available on the internet.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the chapter titled "Industry Overview" of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry-related data available online for which relevant consents have not been obtained. 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.

23. We have not obtained registration for our corporate logo, and failure to protect our logo would adversely affect our business, financial condition and results of operations.

As on the date of this Draft Letter of Offer , we have not obtained registration for our corporate logo "Asit C. Mehta FINANCIAL SERVICES LTD." and hence we do not enjoy the statutory protection accorded to a registered trademark. We may still continue to use the corporate logo but remain vulnerable to infringement and passing-off by third parties and will not be able to enforce any rights against them. We may also need to change our corporate logo which may adversely affect our reputation and business and could require us to incur additional costs for replacing the logo associated with our Company and business. Our efforts to protect our corporate logo may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. This may lead to litigations and any such litigations could be time consuming and costly and their outcome cannot be guaranteed. Our Company may not be able to detect any unauthorized use or take appropriate and timely steps to enforce or protect its corporate logo, which may adversely affect our business, financial condition and results of operations

<u>ISSUE SPECIFIC RISK</u>

24. SEBI has, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and May 19, 2022, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this 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 January 22, 2020, May 6,2020, July 24,2020, January 19,2021, April 22, 2021, and May 19, 2022, 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 179.

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 dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible

Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

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

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

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

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. Accordingly, you may be subject to payment of long- term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

28. 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.

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

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

30. 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.

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

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

32. The sale of Equity Shares by our Promoter or other significant shareholder(s) may adversely affect the trading price of the Equity Shares.

Any instance of disinvestment 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.

33. 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.

EXTERNAL RISK FACTORS

34. Our business is substantially affected by prevailing economic, political and other prevailing conditions in emerging markets.

The Indian economy and securities markets are influenced by economic, political and market conditions in India and globally, including adverse geopolitical conditions which may arise from time to time. We are incorporated in India, and our operations are located in India. As a result, we are highly dependent on prevailing economic conditions in India and the other emerging markets, and our results of operations and cash flows are significantly affected by factors influencing the economy in these countries. Factors that may adversely affect the economy, and hence our results of operations and cash flows, may include:

- any increase in interest rates or inflation.
- any exchange rate fluctuations.
- any scarcity of credit or other financing, resulting in an adverse impact on economic conditions and scarcity of financing for our expansions.
- prevailing income conditions among consumers and corporates.
- volatility in, and actual or perceived trends in trading activity on, the relevant market's principal stock exchanges.
- changes in tax, trade, fiscal or monetary policies.
- political instability, terrorism or military conflict in the region or globally.
- occurrence of natural or man-made disasters.
- prevailing regional or global economic conditions, including in the relevant country's principal export markets.
- any downgrading of debt rating by a domestic or international rating agency.
- instability in financial markets; and

- other significant regulatory or economic developments in or affecting India or the emerging markets.

Further, any slowdown or perceived slowdown in the Indian economy or the economy of any emerging market, or in specific sectors of such economies, could adversely impact our business, results of operations, cash flows and financial condition and the price of the Equity Shares.

35. Changing laws, rules and regulations, including taxation laws, may adversely affect our business, results of operations, cash flows and prospects.

Any change in Indian tax laws could influence our operations. For instance, the Taxation Laws (Amendment) Act, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can hence forth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits or exemptions being claimed), which would ultimately reduce the tax rate (on gross basis) for Indian companies from 30% to 22% (exclusive of applicable health and education cess and surcharge). Any such future amendments may affect our ability to claim exemptions that we have historically benefitted from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities or tribunals or courts would have an effect on our profitability.

The Finance Act, 2020 ("Finance Act"), has, amongst other things, provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime. For instance, dividend distribution tax ("DDT") will not be payable in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are likely be subject to tax deduction at source. Our Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in Equity Shares.

In addition, we are subject to tax-related inquiries and claims. We may be particularly affected by claims from tax authorities on account of income tax assessment, service tax and GST that combines taxes and levies by the central and state governments into one unified rate of interest with effect from July 1, 2017, and all subsequent changes and amendments thereto.

Further, the Government of India has announced the Union Budget for Financial Year ended March 31, 2024, and the Finance Act, 2023, which was notified on the e-Gazette on March 31, 2023. The Finance Act, 2023 proposes various amendments to taxation laws in India. As such, there is no certainty about the impact that the Finance Act, 2023 may have on our business and operations or on the industry in which we operate. In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, the likely nature and impact of the specific terms of any such laws or regulations or whether, if at all, any laws or regulations would have an adverse effect on our business.

36. We have in this Draft Letter of Offer included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the Financial Services industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies

Certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance including such as EDITDA, EBITDA Margin, return on Net Worth, among others, have been included in this Draft Letter of Offer. These are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. We compute and disclose such non-GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of manufacturing companies, many of which provide such non-GAAP financial measures and other statistical and operational information when reporting their financial results. These non-GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other Financial Services companies.

37. The fluctuation of the Rupee against foreign currencies may have an adverse effect on our results of operations.

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 have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

38. Financial difficulty and other problems relating to financial institutions in India could have a material adverse effect on our business, results of operations and financial condition.

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing houses, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business.
In Financial Year 2011 as well as 2017-18 Indian government agencies-initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations and financial condition.

In addition, we deal with various financial institutions in our business. Any one of them could be negatively affected by financial difficulty as a result of occurrences over which we have no control. If one or more of our financial institutional counterparties or intermediaries suffers economic difficulty, this could have a material adverse effect on our business, results of operations and financial condition.

39. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the Competition Commission of India to prevent such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which, directly or indirectly, involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Indian central government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset-based and turnover-based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside of India if such agreement, conduct or combination has an appreciable adverse effect in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements entered into by us. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows, results of operations and prospects.

40. If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, any unexpected or onerous requirements or regulations resulting from any change in the existing GST regime or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST.

We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial conditions and results of operations. Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition and results of operations.

41. Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business.

India's sovereign rating is "BBB-" A-3 with a "negative" outlook (S&P). Going forward, the sovereign ratings outlook will remain dependent on whether the Government is able to transition the economy into a high-growth environment, as well as exercise adequate fiscal restraint. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, the ability to obtain financing for capital expenditures and the price of our Equity Shares.

42. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time-to-time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

43. Instability in financial markets could materially and adversely affect the results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in SENSEX, BSE's benchmark index. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

44. Facts and other statistics with respect to India, the Indian economy and Service Industry contained in this Issue are based on various government publications and reports from government agencies.

The facts and other statistics in this Issue relating to India, the Indian economy and the Service industry has been based on various government publications and reports from government agencies. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon.

45. The bankruptcy code in India may affect our rights to recover loans from our customers.

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

In case insolvency proceedings are initiated against a debtor by our Company or a debtor files for voluntary insolvency, we may not have complete control over the recovery of amounts due to us. Under the IBC, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Any decision of the committee of creditors must be taken by a vote of not less than 75% of the voting share of all financial creditors. Any resolution plan approved by the committee of creditors is binding upon all creditors, even if they vote against it.

In case a liquidation process is opted for, the IBC provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes and debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank below the claims of secured creditors, workmen and other employee dues and unsecured financial creditors. Additionally, in cases where proceedings under the IBC are initiated against the builders or developers of project where the allottees of the apartments are our borrowers and if the builder or developer fails to deliver the project, there may be delay in recovery of amounts from such borrowers.

Accordingly, if the provisions of the IBC are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the IBC.

46. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates could be volatile, and we may face high inflation in the future as India had witnessed in the past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, salaries, and other expenses relevant to our Subsidiaries' business. Further, high inflation leading to higher interest rates may also lead to a slowdown in the economy and adversely impact credit growth. Consequently, we may also be affected and fall short of business growth and profitability.

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 operating 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 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.

While the Government of India through the RBI has previously initiated economic measures to combat high inflation rates, it is unclear whether these measures will remain in effect, and there can be no assurance that Indian inflation levels will not rise in the future.

SECTION III: INTRODUCTION

THE ISSUE

The Issue has been authorized by way of a resolution passed by our Board its meeting held on April 19, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the rights entitlement ratios, Issue Price, Record Date, timing of Issue and other related matters, have been approved by a resolution passed by our Board at its meeting held on **[●]**.

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, detailed information included in ***"Terms of the Issue"*** beginning on page 179 of this Draft Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares being offered by our Company.	Issue of up to 3293452 Equity Shares
Rights Entitlement	**133** Equity Share for every 200 fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 200 Equity Shares or is not in multiples of 200, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	**[●]**
Face value per Equity Share	₹ 10/- each.
Issue Price per Rights Equity Shares	₹151.44/- each.
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable law.
Issue Size (Rights Size)	Upto 3293452 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹151.44 per Rights Equity Share up to an amount of ₹ 4,987.60 /- Lakhs
Equity Shares subscribed, paid–up and outstanding prior to the Issue	**4952560** Equity Shares. For details, see ***"Capital Structure"*** beginning on page 40 this Draft Letter of Offer.
Equity Shares subscribed, paid–up and outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	Up to 8246012 Equity Shares
Security codes for the Equity Shares	**ISIN for Equity Shares:** INE041B01014 **BSE Code:** 530723
ISIN for Rights Entitlements	**[●]**
Terms of the Issue	For details, see **"*Terms of the Issue*"** beginning on page 179 this Draft Letter of Offer
Use of Issue Proceeds	For details, see **"*Objects of the Issue*"** beginning on page 42 this Draft Letter of Offer
Terms of Payment	The full amount is payable on application.

For details in relation fractional entitlements, see ***"Terms of the Issue – Fractional Entitlements"*** beginning on page 184.

Issue Schedule

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

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

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

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

GENERAL INFORMATION

Asit C Mehta Financial Services Limited (our "Company" or "Issuer") was originally incorporated as "Northern India Leasing Limited", as a public limited company under the Companies Act, 1956, at New Delhi, pursuant to certificate of incorporation dated January 25, 1984, issued by the Registrar of Companies, Delhi and Haryana, New Delhi. Thereafter, the name of our Company was changed to "Nucleus Securities Limited" pursuant to fresh certificate of incorporation consequent on change of name dated July 08, 1993, issued by the Registrar of Companies, Delhi and Haryana at New Delhi. With effect from July 26, 1995, the registered office of our Company was shifted to Maharashtra and was registered with the Registrar of Companies, Mumbai, Maharashtra. Thereafter, the name of our Company was changed to "Nucleus Netsoft and GIS (India) Limited" pursuant to fresh certificate of incorporation consequent on change of name dated May 31, 2006, issued by the Registrar of Companies, Mumbai, Maharashtra.

Subsequently, the name of our Company was changed to "Asit C Mehta Financial Services Limited" pursuant to fresh certificate of incorporation consequent on change of name dated September 11, 2008, issued by the Registrar of Companies, Mumbai, Maharashtra.

Corporate Identification Number: L65900MH1984PLC091326.
Company Registration Number: 091326

REGISTERED OFFICE OF OUR COMPANY

Asit C Mehta Financial Services Limited
Pantomath Nucleus House, Saki-Vihar Road,
Andheri (E), Mumbai – 400 072, India
Tel: +91 022-28583333 / 28570781
Email: investorgrievance@acmfsl.co.in
Website: www.acmfsl.com

REGISTRAR OF COMPANIES

Our Company is registered with the RoC, which is situated at the following address:
Registrar of Companies
100, Everest, Marine Drive, Mumbai-400002, India
Website: www.mca.gov.in

COMPLIANCE OFFICER

Mr Jaideep Vaidya
Pantomath Nucleus House, Saki-Vihar Road,
Andheri (E), Mumbai – 400 072, India
Tel: +91 022-28583333 / 28570781
Email: cs@acm.co.in
Website: www.acmfsl.com

STATUTORY AND PEER REVIEW AUDITOR OF OUR COMPANY

M/s. Manek And Associates, Chartered Accountants,
A-102, Paradise Apartment,
Nanda Patkar Road, Vile Parle (East),
Mumbai – 400 057 Maharashtra, India
Tel: +91 22 4600 7525
Email: shailesh.manek@gmail.com
Contact Person: Shailesh Manek
Firm Registration No: 1026679W
Peer Review Certificate No. : 014682

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
C – 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400083, Maharashtra, India
Tel: +91 22 49186200
Fax: +91 22 49186060
Website: www.linkintime.co.in
Email: asitcmehta.rights@linkintime.co.in
Investor Grievance id: asitcmehta.rights@linkintime.co.in
Contact Person: Sumeet Deshpande
SEBI Registration Number: INR000004058

Investors may contact the Registrar to the Issue or Compliance Officer for any pre- Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process. For details on the ASBA process, see *"Terms of the Issue"* beginning on page 179 of this Draft Letter of Offer.

BANKER TO THE ISSUE

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

DESIGNATE INTERMEDIARIES

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link. On Allotment, the amount would be unblocked, and the account would be debited only to the extent required to pay for the Rights Equity Shares Allotted.

ISSUE SCHEDULE

Event	Indicative Date
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)	[●]

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

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

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

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date [●] For details on submitting Application Forms, see ***"Terms of the Issue - Process of making an Application in the Issue"*** beginning on page 179 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 at www.linkintime.co.in after keying in their respective details along with other security control measures implemented thereat. For further details, see ***"Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders"*** beginning on page 179 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 Issue.

CREDIT RATING

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

UNDERWRITER

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

MINIMUM SUBSCRIPITION

The objects of the Issue involve financing other than the financing of capital expenditure for a project. Further, Cliqtrade Stock Brokers Private Limited, one of our Promoter have undertaken that they will subscribe fully to the extent of promoters' rights entitlement and that they shall not renounce their rights (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. Accordingly, minimum subscription criteria is not applicable to the Issue.

FILING

Since the Issue Size is less than ₹ 5,000.00 Lakhs, the Draft Letter of Offer is being filed with the BSE. Upon receipt of the in-principle approval from BSE, the final Letter of Offer will be filed with Stock Exchange and submitted to SEBI for information and dissemination purposes as per the provisions of the SEBI ICDR Regulations.

CAPITAL STRUCTURE

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

(Amount in ₹ except share data)

S. No.	Particulars	Aggregate nominal value	Aggregate value at Issue Price
A.	**AUTHORISED SHARE CAPITAL**		
	1,50,00,000 Equity Shares of face value of ₹ 10/- each	15,00,00,000	NA
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	49,52,560 Equity Shares of face value of ₹ 10/- each	4,95,25,600	NA
C.	**PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER***		
	Issue of Up to 32,93,452 Equity Shares of Face value of ₹ 10/- each at a price of ₹151.44/- Per Equity Share	**3,29,34,520**	**49,87,60,371**
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	82,46,012 Equity Shares of face value of ₹ 10/- each	**8,24,60,120**	**124,87,76,057**

**The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on [●].*
#Assuming full subscription for and allotment of the Equity Shares.
***Subject to Basis of Allotment.*

As on the date of this Draft Letter of Offer, company has no outstanding instruments which are liable to be converted into equity shares.

NOTES TO CAPITAL STRUCTURE

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

   Our Promoter, Cliqtrade Stock Brokers Private Limited have, vide its letter (the "Subscription Letter") undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

   Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein will be fulfilled in accordance with provisions of the Takeover Regulations.

   The additional subscription by the promoters shall be made subject to such additional subscription, not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR.

   Pursuant to the open offer by Cliqtrade Stock Brokers Private Limited, the Promoter group of the Company held more than the prescribed norms as on November 14, 2022 and hence the public shareholding was, at that point of time less than the 25% shareholding required to be held by the public, as stipulated in SEBI Listing Regulations.

   As per the Investment Agreement dated August 10, 2022, the same was to be complied with in the period of twelve months from the closing date of the open offer. Further, as per the provisions of Rule 19A (2) of the Securities Contract (Regulation) Rules, 1957, where at any point of time, the minimum public shareholding (MPS) of a listed Company falls below the prescribed levels, the Company should ensure compliance with the MPS norms within one year from the date on which such event occurred.
   The MPS of the Company fell below the prescribed levels on November 14, 2022 and one of the promoters of the company has disposed her shares in the open market on November 12, 2023 and as such the Company has complied with the requirement of ensuring compliance with the MPS norms within stipulated period . The necessary filings in this regard have been done on the BSE.

2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 is **₹ [●]/-** per equity share.

3. At any given time, there shall be only one denomination of the Equity Shares of our Company, excluding any equity shares with superior rights, if any, issued by our Company.

4. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. For details on the terms of this Issue, see "***Terms of the Issue***" on page 179 of this Draft Letter of Offer.

5. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges**:**

   a). The Shareholding Pattern of our Company as on November 17, 2023 can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/asit-cmehta-financial-services-ltd/asitcfin/530723/shareholding-pattern

   b). The statement showing the holding of Equity Shares of persons belonging to the category "Promoter and Promoters Group" as on November 17, 2023, can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=530723&qrid=119.01&QtrName=17-Nov-23

   c). The Shares held by promoters and promoter group are neither pledged nor encumbered

   d). Details of shares locked-in by promoters and promoter group is as follows:

   As on the date of this Draft Letter of Offer, there are no shares held by promoters and promoter group which are under lock-in.

6. **Details of options and convertible securities outstanding as on the date of this Draft Letter of Offer:**

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

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

   Except as disclosed below none of our Promoter or Promoter Group have acquired any securities in the last one year, immediately preceding the date of filing of this Draft Letter of Offer.

Sr. No.	**Name of Promoter and Promoter Group**	**No. of Shares Acquired**	**Date of Acquisition**
1.	Cliqtrade Stock Brokers Private Limited	1,39,191	November 14, 2022
2.	Cliqtrade Stock Brokers Private Limited	6,602	November 30, 2022
3.	Cliqtrade Stock Brokers Private Limited	8,47,945	November 22, 2022
4.	Cliqtrade Stock Brokers Private Limited	3,80,000	December 27, 2022
5.	Cliqtrade Stock Brokers Private Limited	4,67,945	February 20, 2023

   Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.

8. **Details of Shareholders holding more than 1% of the Paid-up Capital of the Company:**

   The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on November 17, 2023 are available on BSE website at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=530723&qtrid=119.01&QtrName=17-Nov-23

OBJECTS OF THE ISSUE

The objects of the Issue are:

Our Company proposes to utilize the Net Proceeds towards funding the following Objects:

Sr. No.	Purpose
1.	Conversion of loan of Cliqtrade Stock Brokers Private Limited
2.	Repayment of outstanding loans of existing promoters Mrs. Deena Mehta and Mr. Asit Mehta
3.	Repayment of Inter-corporate loans (Phase Holdings Private Limited, Midland Leisure and Entertainments Private Limited and Natural Hut Private Limited)
4.	Acquisition of shares of Omniscience Capital Advisors Private Limited
5.	Acquisition of 2,48,350 Equity Shares of ACMIIL from Mr. Kirit Vora
6.	General corporate expenses

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

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

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

The details of objects of the Issue

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

(₹ in lakhs)

Particulars	Estimated Amount
Gross Proceeds from the Issue*	**4,987.60**
(Less) Issue related expenses#	**[●]**
Net Proceeds	**[●]**

**Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted as per the Rights Entitlement ratio.*
 # To be finalised upon determination of the Issue Price and at the time of filing the Letter of offer.
*** Further, Rs. 2,744.60 lakhs shall be utilized towards adjustment of unsecured loan against the entitlement of promoter.*

Requirement of the Funds

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

(₹ in lakhs)

Particulars	Estimated Amount (as at November 20, 2023)
Conversion of loan given by Cliqtrade Stock Brokers Private Limited into equity shares #	2,744.60
Repayment of outstanding loans given by existing promoters Mrs. Deena Mehta and Mr. Asit Mehta	1,109.84
Repayment of Inter-corporate loans given by Phase Holdings Private Limited, Midland Leisure and Entertainments Private Limited and Natural Hut Private Limited	310.00
Acquisition of shares of Omniscience Capital Advisors Private Limited	250.00
Acquisition of 2,48,350 Equity Shares of ACMIIL from Mr. Kirit Vora	131.63
General Corporate Purpose*	441.53
Net Proceeds**	**4,987.60**

**Subject to the finalization of the Basis of Allotment and the Allotment. The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% 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*
 # Our Promoter Shareholder namely M/s. Cliqtrade Stock Brokers Private Limited has lent unsecured loans to our company aggregating to ₹ 2,744.60 Lakhs (including Interest Payable Rs. 174.60 Lakhs). M/s. Cliqtrade Stock Brokers Private Limited has requested our Company to adjust the part of outstanding unsecured loan aggregating to ₹ 2,744.60 lakhs against his entitlement vide letter dated **[●]**. *The aforesaid loan has been used for the augmentation of existing working capital requirements as certified by Independent Statutory Auditor M/s. Manek & Associates vide certificate dated* **[●]**. *The Board of Directors in its meeting held on* **[●]** *has accepted his request for conversion of unsecured loan of M/s. Cliqtrade Stock Brokers Private Limited aggregating to ₹ 2,744.60 lakhs against their application money to the extent of subscription and allotment of rights issue shares to them under the issue whether pursuant to their rights entitlement.*

Means of Finance

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

Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2023-24.

The requirement and deployment of funds as indicated above are based on our current business plan, internal management estimates, prevailing market conditions and other commercial and technical factors, including interest rates and other charges, and the financing and other agreements entered by our Company, and have not been appraised by any bank or financial institution.

We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, change in cost, financial and market conditions, our management’s analysis of economic trends and our business requirements, ability to identify and consummate new business initiatives, fund requirements in the operations of our subsidiaries and associates, inorganic and geographic expansion opportunities as well as general factors affecting our results of operations, financial condition, access to capital, business and strategy and interest/exchange rate fluctuations or other external factors, which may not be within the control of our management.

This may entail rescheduling and revising the funding requirement for a particular object or increasing or decreasing the amounts earmarked towards any of the aforementioned objects at the discretion of our management, subject to compliance with applicable law.

In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes does not exceed 25% of the Gross Proceeds in accordance with applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the aforementioned Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls.

Details of the Objects of the Issue

1. Conversion of Loan given by one of our Promoter, Cliqtrade Stock Brokers Private Limited into equity shares

Our Company proposes conversion of loan given by one of our Promoter, Cliqtrade Stock Brokers Private Limited into equity shares for an estimated amount of ₹ 2,744.60 Lakhs.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from our Promoter, Cliqtrade Stock Brokers Private Limited. Our Company proposes conversion of loan given by one of our Promoter, Cliqtrade Stock Brokers Private Limited into equity shares for an estimated amount of ₹ 2,744.60 Lakhs and the said amount is proposed to be adjusted against the application money to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlements (including Rights Entitlements renounced in their favour, if any) , to Cliqtrade Stock Brokers Private Limited.

(₹ in lakhs)

Sr. No.	Name of Lender	Tenure	Purpose of Loan	Interest Rate	Amount Outstanding as on November 20, 2023
1	Cliqtrade Stock Brokers Private Limited	-	Business Purpose	11%	2,744.60*
Total					**2,744.60***

Note: Principal amount Rs. 2,570 Lakhs & Interest on loan is Rs. 174.60 Lakhs(Net of TDS)

2. Repayment in full of certain identified unsecured loans availed by our Company from our Promoters, Mrs. Deena Asit Mehta and Mr. Asit C Mehta

Our Company proposes to utilize an estimated amount of ₹ 1,109.84 Lakhs from the Net Proceeds of the Issue towards repayment in full of certain identified unsecured loans availed by our Company from our Promoters, Mrs. Deena Asit Mehta and Mr. Asit C Mehta.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from our Promoters, Mrs. Deena Asit Mehta and Mr. Asit C Mehta, which we may repay/ prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/ repay any particular lender in priority to the other:

(₹ in lakhs)

Sr. No.	Name of Lender	Tenure	Purpose of Loan	Interest Rate	Amount Outstanding as on November 20, 2023
1	Deena Asit Mehta	On Demand	Business Purpose	11%	887.70*
2	Asit C Mehta	On Demand	Business Purpose	11%	222.14#
	Total				**1,109.84**

Note:
**** Deena Asit Mehta: Principal amount Rs. 807.65 lakhs & Interest on loan is Rs. 80.05 lakhs Net of TDS.***
 # Asit C. Mehta: Principal amount Rs. 181.75 lakhs & Interest on loan is Rs. 40.39 lakhs Net of TDS.

3. **Repayment/pre-payment, in full or part, of certain identified unsecured loans availed by our Company from Midland Leisure and Entertainments Private Limited, Phase Holdings Private Limited and Natural Hut Private Limited.**

Our Company proposes to utilize an estimated amount of ₹ 310 Lakhs from the Net Proceeds of the Issue towards part repayment/ prepayment, in full or in part, of certain identified unsecured loans availed by Midland Leisure and Entertainments Private Limited, Phase Holdings Private Limited and Natural Hut Private Limited

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from Midland Leisure and Entertainments Private Limited, Phase Holdings Private Limited and Natural Hut Private Limited., out of which we may repay/ prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/ repay any particular lender in priority to the other:

(₹ in lakhs)

Sr. No.	Name of Lender	Tenure	Purpose of Loan	Interest Rate	Amount Outstanding as on November 20, 2023
1	Midland Leisure and Entertainments Private Limited	On Demand	Business Purpose	12%	100
2	Phase Holdings Private Limited	On Demand	Business Purpose	12%	110
3	Natural Hut Private Limited	On Demand	Business Purpose	12%	100
	Total				**310**

4. **Acquisition of shares**

Acquisition of substantial stake in the equity of Omniscience Capital Advisors Private Limited for ₹ 250 Lakhs. The investment will bring in a lot of synergies with our Broking subsidiary, Asit C Mehta Investment Interrmediates Limited in its equity advisory, equity PMS, iBasket and other similar offerings. Omniscience is a well established leading Advisory company known for its consistent performance. They are reputed for their value investing based approach applicable to any asset class or any geography. Omniscience has potential to be a leading Asset manager on its own strength.

5. **Acquisition of equity shares of ACMIIL from Mr. Kirit H. Vora:** Our Company holds 93.09% of shares of ACMIIL and intends to further consolidate the holding by purchase of 1.5% equity shares of ACMIIL as strategic long-term investment taking total holding to 94.59%.

6. **General Corporate Purposes**

Our Company intends to deploy the balance Net Proceeds, if any, towards general corporate purposes, not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilization of funds towards the specific purposes will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. General corporate purposes may include, but are not restricted to, the following:

a. strategic initiatives.
b. funding growth opportunities.
c. strengthening marketing capabilities and brand building exercises.
d. meeting ongoing general corporate contingencies.
e. meeting fund requirements of our Company, in the ordinary course of its business.
f. repayment of certain outstanding borrowings including redemption of debentures.
g. any other purpose, as may be approved by the Board, subject to applicable law.

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹ **18.29** lakhs. The break-up for the Issue expenses is as follows:

(₹ in lakhs)

Activity	Estimated amount (in ` lakhs)	As a % of total estimated Issue expenses	As a % of Issue size
Fees payable to:	[●]	[●]	[●]
Fee to Registrar to the Issue, Banker to the Issue and other professional service provider	3.04	17%	0.06%
Advertising and marketing expenses	[●]	[●]	[●]
Fee Payable to Regulators including Depositories, Stock Exchange and SEBI	10.00	55%	0.21%
Printing and distribution	4.00	22%	0.08%
Brokerage, selling commission and upload fees	[●]	[●]	[●]
Miscellaneous	1.25	7%	0.03%
Total estimated Issue expenditure*	18.29	100%	0.38%

** Subject to finalisation 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.*

Strategic or Financial Partners

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

Interim use of funds

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

Appraisal and Bridge Financing Facilities

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

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 being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and applicable rules.

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.

Monitoring of utilization of funds

Since the proceeds from the 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 the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Gross Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Letter of Offer. Further, this information shall be furnished to the Stock Exchange along with the interim or annual financial results submitted under Regulations 33 of the SEBI Listing Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Other Confirmations

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilisation 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. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
ASIT C MEHTA FINANCIAL SERVICES LIMITED
Pantomath Nucleus House,
Saki-Vihar Road,
Andheri (East),
Mumbai: 400072

Dear Sir/Madam

We hereby confirm that the enclosed **Annexure A**, prepared by the Company and initialed by us for identification purpose ("**Statement**") for the Rights Issue, provides the possible special tax benefits available to the Company, its shareholders and its subsidiaries, under direct tax and indirect tax laws presently in force in India, as amended and read with the rules, circulars and notifications, applicable for Financial Year 2023-24.

The Company has identified two subsidiaries, viz Asit C. Mehta Investment Interrmediates Limited (ACMIIL) and Edgytal Fintech Investment Services Private Limited.

Several of these benefits are dependent on the Company or its shareholders or its subsidiaries fulfilling the conditions prescribed under the relevant statutory provisions. Hence, the ability of the Company and/or its shareholders and/or its subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company or its shareholders or its subsidiaries faces in the future, the Company or its shareholders or its subsidiaries may or may not choose to fulfil.

This statement of possible special tax benefits is required as per Schedule VI (Part B-1)(10) of the SEBI ICDR Regulations. For the purpose of this Statement, it is assumed that with respect to special tax benefits available to the Company, and/or its shareholders and/or its subsidiaries, the same would include those benefits as enumerated in **Annexure A**. Further, any benefits available under any other laws within or outside India, except for those mentioned in Annexure A have not been examined and covered by this statement.

The preparation of the accompanying statement and whether it is accurate, complete, and free from misstatement is the responsibility of the management of the Company including the preparation and maintenance of all accounting and other relevant supporting recordsand documents.

The benefits discussed in the enclosed Statement are not exhaustive. The 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 changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Rights Issue.

Also, our confirmation is based on the existing provisions of law and our interpretation of the same, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

In respect of non-residents, the tax rates and the consequent taxation in India shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Our confirmation is based on the information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company and its subsidiaries.

We hereby consent to be names an "expert" under the Companies Act, 2013, as amended, and our name may be disclosed as an expert to any applicable legal or regulatory authority insofar as may be required, in relation to the statements contained therein. We further confirm that we are not and have not been engaged or interested in the formation or promotion or management of the Company.

We also consent to the inclusion of this Statement and the Annexure as a part of "*Material Contracts and Documents for Inspection*" in connection with the Rights Issue, which will be available for inspection from date of the filing of the Letter of Offer until the Issue Closing Date.

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

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We have conducted our examination in accordance with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and accordingly, confirm that we have complied with such Code of Ethics issued by the ICAI.

This certificate is for information and for inclusion (in part or full) in the Issue Documents or any other Rights Issue-related material, and may be relied upon by the Company, the Lead Managers and the legal advisors appointed by the Company and the Lead Managers in relation to the Offer.

We hereby consent to (i) the submission of this certificate as may be necessary to the SEBI, the relevant stock exchanges and any other regulatory authority and/or for the records to be maintained by the Lead Managers and in accordance with applicable law; and (ii) the disclosure of this certificate if required by reason of any law, regulation or order of a court or by any governmental or competent regulatory authority; or in seeking to establish a defence in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation.

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

(a) The Company, its subsidiaries and its shareholders will continue to obtain the benefits as per the Statement infuture;
(b) The conditions prescribed for availing the benefits, wherever applicable have been/ would be met with; and
(c) The revenue authorities/courts will concur with the views expressed herein.

Yours faithfully,

For Manek And Associates
Chartered Accountants
ICAI Firm Registration Number: 126679W

Name: Mittul B Dalal
Designation: Partner
Membership No.: 172676
Place: Mumbai
Date:- 04/09/2023
UDIN: 23172676BGWNYZ8633

Annexure A

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SUBSIDIARIES AND ITS SHAREHOLDERS

The information provided below sets out the possible tax benefits in the hands of Asit C Mehta Financial Services Limited (ACMFSL) ("the company) and its subsidiaries, namely Asit C. Mehta Investment Interrmediates Limited (ACMIIL) and Edgytal Fintech Investment Services Private Limited, shareholders of the Company in a summary manner only and is not a complete analysis or listing of all potential tax consequences on the subscription, ownership and disposal of listed equity shares under the current tax laws presently in force. Several of these benefits are dependent upon fulfilling the conditions prescribed under the relevant tax laws in the concerned jurisdictions. Hence, the ability of the Company, its subsidiaries and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which, based on business imperatives faced, they may or may not choose to fulfill.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications on purchase, ownership and disposing of listed equity shares, 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 and consequences.

INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF LISTED EQUITY SHARES IN YOUR PARTICULAR SITUATION.

POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY, ITS SUBSIDIARIES AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX LAWS IN INDIA

Possible tax benefits under the Income Act – 1961 (" The IT Act") – Direct Tax Laws.

The law stated below is as per the Income-tax Act, 1961 as amended by Finance Act, 2023.

A. ASIT C MEHTA FINANICAL SERVICES LIMTED ("the company")

1. The Company has exercised the option under section 115BAA to be taxed at a concessional corporate tax rate of 22% (as increased by the applicable surcharge and cess). Pursuant thereto, the Company is not entitled to certain stipulated deductions (including Chapter VIA deduction (except section 80JJAA and section 80M).

   Further, the domestic companies opting for 115BAA will not be required to pay Minimum Alternate Tax ('MAT') under section 115JB. Since the MAT provisions under section 115JB itself would not apply to such companies, brought forward MAT credit (if any) would also not be available for set-off.

2. As per section 80JJAA of the IT Act, the Company is allowed to claim a deduction of 30% of additional employee cost paid to additional employees employed or deemed to be employed in the concerned year,

for three assessment years beginning from the year in which the employment is provided subject to such conditions specified in the said section.

3. Section 80M intends to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act. ACMFSL would be eligible to claim deduction under section 80M in respect of dividends received from other domestic or foreign companies and further distributed to its shareholders, subject to satisfaction of the provisions of the section.

B. Asit C. Mehta Investment Interrmediates Limited (ACMIIL) and Edgytal Fintech Investment Services Private Limited ("SUBSIDIARIES")

From Indian tax laws perspective, there are no special tax benefits available to the subsidiaries in India.

C. SHAREHOLDERS OF THE COMPANY:

1. The basis of charge of Indian income-tax would depend upon the residential status of the shareholder during a tax year. The Indian tax year runs from April 1 until March 31.

2. If the shareholder is an Indian tax resident, he is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.

3. A shareholder who is treated as a non-resident for Indian income-tax purposes, is generally subject to tax in India only on his India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

   Accordingly, since ACMFSL is incorporated in India, its shares are deemed to be situated in India and any income in respect of ACMFSL shares and/or gains arising to a non-resident shareholder on transfer of such shares is taxable in India under the IT Act.

4. In case of non-resident shareholders, the tax rates and the consequent taxation, mentioned in this part shall be further subject to any benefits available under the Double Taxation Avoidance Agreement ("DTAA"), if any, between India and the country of residence of the non-resident, subject to satisfying the relevant conditions including but not limited to:

   a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument ("MLI") as ratified by India with the respective country of which the said shareholder is a tax resident:
   b) non-applicability of General Anti-Avoidance Rule ("GAAR"); and
   c) providing and maintaining necessary information and documents as prescribed under the IT Act read with applicable rules, circulars and/or notifications.

5. All references to equity shares hereinafter refer to listed equity shares unless stated otherwise.

CI. Resident shareholders:

1. As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section 10(34) in respect of dividend income has been discontinued. Thus, any dividend declared by the Company in future would be taxable in the hands of the shareholders under the head ;Income from Other Source' under section 56 of the IT Act at normal applicable rates.

   The Company would be under an obligation to deduct tax at source under section 194 at the rate of 10% on payment of dividend to resident shareholders. In the absence of Permanent Account Number ("PAN") of the shareholder, tax would be deductible at the rate of 20% as provided under section 206AA.

   Section 194, further provides no deduction shall be made in the following cases

   (i) the dividend is paid to a resident individual shareholder by any mode other than cash;
   (ii) the amount of aggregate dividend distributed or paid or likely to be distributed or paid during the financial year to the resident individual shareholder, does not exceed Rs.5,000/-;
   (iii) the dividend is paid to Life Insurance Corporation of India, General Insurance Corporation of India or any other insurer, in respect of any shares owned by them or in which they have full beneficial interest.

   Further, as per section 196, no deduction of tax shall be made by any person from any sums payable to

   (i) the Government, or
   (ii) the Reserve Bank of India, or
   (iii) a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from income-tax on its income, or
   (iv) a Mutual Fund specified under clause (23D) of section 10

   No deduction of tax is required in case of resident individuals if 15G/15H certificate is furnished as per section 197A(1)/(1C).

   Further, section 197A(1E) provides no deduction of tax shall be made from any payment to any person for, or on behalf of, the New Pension System Trust referred to in clause (44) of section 10.

2. Section 206AB provides for a higher withholding rate in case of any person (other than a non-resident who does not have a permanent establishment in India) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

   (i) at twice the rate specified in the relevant provision of the IT Act; or
   (ii) at twice the rate or rates in force; or
   (iii) at the rate of 5%.

   Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

3. It is pertinent to note that since the dividend income will not be exempt in the hands of the shareholder, expenses incurred in relation to earning such income would not be liable for disallowance under section 14A of the IT Act.

   Section 57(i) grants deduction of any reasonable sum paid by way of commission or remuneration paid to a banker or any other person for the purpose of realising dividend or interest on securities on behalf of the assessee. Further, under clause (iii) of section 57, deduction is allowable for any other expenditure (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of making or earning the income.

However, w.e.f. FY 2020-21, Finance Act, 2020 has inserted a proviso to section 57 to restrict deduction in respect interest expenses to 20% of such dividend income. Further, deduction shall not be permissible for any other expense that an assessee may incur wholly and exclusively for earning such income.

4. Section 80M intends to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub- section (1) of section 139 of the Act. Any shareholder being a domestic company may be entitled to the benefit of section 80M.

5. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.

6. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes)"CBDT") has clarified in Circular No. 6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

7. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of Long Term Capital Gains, ("LTCG") i.e. gains from the shares, being transfer of shares of Indian company held for a period exceeding twelve months, the second proviso to section 48 of the IT Act, permits substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed from time to time. The base year for indexation has been shifted from April 1, 1981 to April 1, 2001 and the cost of acquisition of an asset acquired before April 1, 2001 would be allowed to be taken as fair market value as on April 1, 2001.

8. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

9. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed shares, it will be subject to tax at the rate of 10% if, Securities Transaction Tax ("STT") has been paid on both, purchase and sale of rights issue (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

   As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

10. In cases other than those covered under section 112A, the provisions of section 112 will apply. As per the said

provision, LTCG arising on transfer of the shares would be subject to tax at the rate of 20% (plus applicable surcharge and cess) after indexation. In case of listed shares, the amount of such tax shall, however, be limited to 10% (plus applicable surcharge and cess) without indexation. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.

11. As per section 111A of the IT Act, Short Term Capital Gains ("STCG"), (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of the equity shares would be taxable at a rate of 15% (plus applicable surcharge and cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

    STCG arising from transfer of the shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

12. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

    (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
    (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as NIL, in the hands of such shareholder;
    (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;
    (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

    The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

13. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

14. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs.50 lacs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act, " long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

15. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of the shares would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset")

However, the said exemption shall not be available, if the shareholder:

(a) Owns more than one residential house, other than the new asset, on the date of transfer of the shares; or
(b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the shares; or
(c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the shares;
(d) and
(e) The income from such residential house, other than the one residential house owned on the date of transfer of the shares is chargeable under the head 'Income from house property'.

Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

16. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

    Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG, in terms of section 74 of the IT Act.

17. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession', if the income arising from taxable securities transaction is included in such income.

18. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set off against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

    Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' non-speculative business income as per section 72.

    By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years' speculative business income.

    Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consists of the purchase and sale of such shares. This rule does not apply to a company

    (a) whose gross total income consists mainly of income which is chargeable under heads of income other Business income; or
    (b) whose principal business is trading in shares or banking or granting of loans and advances.

19. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy- back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.

20. In case, where total income of any individual, HUF, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains under sections 111A, 112 and 112A, the rate of surcharge on the amount of income- tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	**Income other than Dividend & Capital gains covered u/s 111A, 112 and 112A**	**Dividend & Capital gains covered u/s 111A, 112 and 112A**
Upto Rs. 50 Lakhs	Nil	Nil
Income exceeds Rs. 50 Lakhs But does not exceed Rs. 1 crore	10%	10%
Income exceeds Rs. 1 crore But does not exceed Rs. 2 crore	15%	15%
Income exceeds Rs. 2 crore But does not exceed Rs. 5 crore	25%	15%
Income exceeds Rs. 5 crore	37% (under the old tax regime)	15%

{Under New tax Regime w.e.f AY 2024-2025 u/s 115 BAC, maximum surcharge shall be restricted to 25%}

CII. Non-resident Shareholders (other than Foreign Institutional Investors ("FIIs") or Foreign Portfolio Investors ("FPIs") :

1. As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section 10(34) in respect of dividend income has been discontinued. Thus, any dividend declared by the Company in future would be taxable in the hands of the shareholders. As per section 115A, gross amount of dividend would be taxable at the rate of 20% (plus applicable surcharge and cess). The non-resident shareholder may avail treaty benefit (if any), subject to satisfaction of certain conditions.

   The Company would be under an obligation to deduct tax at source under section 195 at applicable rates in force. In the absence of PAN of the shareholder, tax would be deductible at higher of, the applicable rate or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident shareholder provides to the payer the following details as listed in Rule 37BC:

   (i) name, e-mail id, contact number;
   (ii) address in the country or specified territory outside India of which the shareholder is a resident;
   (iii) Tax Residency Certificate;
   (iv) Tax Identification Number/ Unique Identification Number of the shareholder.

2. Section 206AB provides for a higher withholding rate in case of any person (other than a non-resident who does not have a permanent establishment in India) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

   (i) at twice the rate specified in the relevant provision of the IT Act; or
   (ii) at twice the rate or rates in force; or
   (iii) at the rate of 5%.

   Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

   In case of non-resident shareholder, section 206AB would not apply, except where the non-resident has a Permanent Establishment in India.

   Relaxation from higher rate of TDS / TCS for persons not required to furnish return of income – Sections 206AB and 206CCA.

   Section 206AB deal with special provisions of TDS for non-filers of income-tax return, for deduction of tax at source at a higher rate, where payment is made to from Specified Person.

   These provisions did not apply to payment made to a non-resident who does not have a Permanent Establishment in India. Similarly, it has now been provided that these provisions shall not apply to payments made to person who is not required to furnish the return of income for the assessment year and is notified by the Central Government in the Official Gazette in this behalf. Similar amendments are made in section 206CCA in respect of TCS provisions.

   These amendments are applicable with effect from 1st April, 2023.

3. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.

4. The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. The Central Board of Direct Taxes ("CBDT") has clarified in Circular No. 6/2016 dated February 29, 2016 that income arising from transfer of listed shares and securities, which are held for more than 12 months would be taxed as "Capital Gains" unless the shareholder itself treats these as its stock-in-trade and income arising from transfer thereof as its business income.

5. The period of holding for shares subscribed by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

6. Under the first proviso to section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilized in the purchase of the shares, and the capital gains so computed shall be reconverted into Indian currency.

7. As per section 112A of the IT Act, LTCG arising on sale/transfer of listed equity shares will be subject to tax at the rate of 10% if, STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and the aggregate LTCG during the financial year exceeds Rs.1 lakh. The said rate will be increased by applicable surcharge and health & education cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112A of the IT Act.

   As per the third proviso to section 48 of the IT Act, LTCG will be computed without considering the indexation benefit.

8. In cases other than those covered u/s 112A, the provisions of section 112 of the IT Act will apply. As per the said provision, LTCG arising on transfer of the shares would be subject to tax at a rate of 20% (plus applicable surcharge and health & education cess), with indexation. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under section 112 of the IT Act.

9. As per section 111A of the IT Act, Short Term Capital Gains ("STCG"). (i.e. gains from shares held for a period not exceeding twelve months) arising on transfer of the equity shares would be taxable at a rate of 15% (plus applicable surcharge and health & education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under section 111A of the IT Act.

   STCG arising from transfer of the shares, other than those covered by section 111A of the IT Act, would be subject to tax as calculated under the normal provisions of the IT Act.

10. For the purpose of computation of 'Capital Gains', the 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

    (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
    (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as NIL, in the hands of such shareholder;
    (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;
    (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

    The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

11. As per the seventh proviso to section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

12. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs.50 lacs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act, "long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

13. Under section 54F of the IT Act and subject to the conditions and to the extent provided therein, LTCG arising in the hands of the shareholder, being an Individual or Hindu Undivided Family, on transfer of the shares would be exempt from tax, if the net consideration from such transfer is utilized, for purchase within a period of 1 year before or 2 years after the date on which the transfer took place, or for construction within a period of 3 years after the date of such transfer, of one residential house in India ("new asset")

    However, the said exemption shall not be available, if the shareholder:

    (a) Owns more than one residential house, other than the new asset, on the date of transfer of the shares; or
    (b) Purchases any residential house, other than the new asset, within a period of 1 year after the date of transfer of the shares; or
    (c) Constructs any residential house, other than the new asset, within a period of 3 years after the date of transfer of the shares;
    and
    (d) The income from such residential house, other than the one residential house owned on the date of transfer of the shares is chargeable under the head 'Income from house property'.

    Further, if the new asset is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such residential house is transferred.

14. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the Assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the Assessee is not required to seek registration under any law for the time being in force, relating to companies.

    Further, section 115JB expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Income-tax Act, is less than the rate specified in section 115JB. The expenditures, if any, debited to the profit loss account, corresponding to such income (which is to be excluded from the MAT liability) shall also be added back to the book profit for the purpose of computation of MAT.

    W.e.f. FY 2020-21, Finance Act, 2021 extends the above relief from applicability of MAT provisions to dividend income accruing or arising to a foreign company and correspondingly, adding back of expenditure related to such dividend income.

15. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed

to be carried forward for subsequent eight assessment years, for being set off against in terms of section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years LTCG in terms of section 74 of the IT Act.

16. Where the shares have been subscribed in convertible foreign exchange, Non-Resident Indians ("NRI"), i.e. an individual being a citizen of India or person of Indian origin who is not a resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

    (i) Under section 115E of the IT Act, the LTCG arising to the NRI shall be taxable at the rate of 10 % (plus applicable surcharge and health & education cess). While computing the LTCG, the benefit of indexation of cost would not be available.

    (ii) Under section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares subscribed to in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets or in any saving certificates referred to in section 10(4B) of the IT Act, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets or saving certificate are transferred or converted into money within three years from the date of their acquisition.

    (iii) Under section 115G of the IT Act, it shall not be necessary for an NRI to furnish his return of income under section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

    (iv) In accordance with the provisions of Section 115H of the IT Act, where an NRI becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer along with his return of income for that year under Section 139 of the IT Act to the effect that the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such investment income derived from the specified assets (which do not include shares in an Indian company) for that year and subsequent assessment years until such assets are converted into money.

    (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

17. In terms of section 36(1)(xv) of the IT Act, the STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

18. As per section 70 of the IT Act, business loss from one source (other than loss on speculation business) for a given year is allowed to be set of against business income from another source. Further, as per section 71 of the IT Act, business loss (other than loss on speculation business) for a given year is allowed to be set-off against income from other heads (except Salaries).

Balance business loss (other than loss on speculation business), which is not set-off is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' non-speculative business income, as per section 72.

By virtue of section 73, loss from a speculative business is allowed to be set-off only against income from a speculative business. The balance loss, which is not set-off is allowed to be carried forward for subsequent four assessment years for being set off only against subsequent years' speculative business income.

Further, as per Explanation to section 73, in case of a company, if any part of the business consists of the purchase and sale of shares, such company shall, for the purpose of this section, be deemed to be carrying on speculation business to the extent to which the business consists of the purchase and sale of such shares. This rule does not apply to a company

(a) whose gross total income consists mainly of income which is chargeable under heads of income other than business income; or
(b) whose principal business is trading in shares or banking or granting of loans and advances.

19. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy- back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.

20. In case, where total income of any individual, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains referred under sections 111A, 112 and 112A, the rate of surcharge on the amount of income- tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	**Income other than Dividend & Capital gains covered u/s 111A, 112 and 112A**	**Dividend & Capital gains covered u/s 111A, 112 and 112A**
Upto Rs. 50 Lakhs	Nil	Nil
Income exceeds Rs. 50 Lakhs But does not exceed Rs. 1 crore	10%	10%
Income exceeds Rs. 1 crore But does not exceed Rs. 2 crore	15%	15%
Income exceeds Rs. 2 crore But does not exceed Rs. 5 crore	25%	15%
Income exceeds Rs. 5 crore	37% (under the old tax regime)	15%

* The capping of surcharge at 15% would not be available in case the income is taxable under section 115A.

{Under New tax Regime w.e.f AY 2024-2025 u/s 115 BAC, maximum surcharge shall be restricted to 25%}

21. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (viz. beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. However, a notification vide Folio No F. No. DGIT(S}-ADG(S)-3/e-Filing Notification/Forms/2022/9227 dated December 12,2022 has clarified that non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of Act read with Income-tax rules, 1962 are exempted from mandatory electronic filing of Form 10F till March 31, 2023. Further, The CBDT vide F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/ 13420 dated March 28, 2023 has extended Form 10F e-filing exemption for Non-residents without PAN till September 30, 2023.

22. TDS on income in respect of units of mutual funds held by non-residents – Section 196A Any person making payment to a non-resident (not being a company) or a foreign company, being income from units of a mutual fund is required to deduct tax at the rate of 20%.

    It is provided that where India has Double Tax Avoidance Agreements (DTAA) with the foreign country and where such agreement provides a benefit in the form of lower tax rate, non-residents shall be subject to TDS at lower of the rate provided in the said DTAA or 20%. This amendment is applicable with effect from 1st April, 2023

CIII. Non-resident Shareholders FIIs/FPIs:

1. Section 115AD(1) provides for taxation of income of inter alia FIIs/FPIs from securities or capital gains arising from their transfer. The rate of income-tax prescribed under the said section on various streams of income is as under:

   (i) Income in respect of inter alia shares 20%
   (ii) Short Term Capital Gains covered under section 111A 15%
   (iii) Other Short Term Capital Gains 30%
   (iv) Long Term Capital Gains 10%

   (In case of Long Term Capital Gains covered under section 112A, tax shall be calculated on gains exceeding Rs. 1 lac)

   The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act. FII/FPI shareholder may avail treaty benefit (if any), subject to satisfaction of certain conditions.

2. As a consequence of abolition of DDT under section 115-O w.e.f. FY 2020-21, the exemption available under section 10(34) in respect of dividend income has been discontinued. Thus, dividend declared by the Company in future would be taxable in the hands of the shareholders as per section 115AD on gross basis.

The Company would be under an obligation to deduct tax at source under section 196D at 20% (plus applicable surcharge and cess) or rate per the applicable treaty (subject to satisfaction of certain conditions), whichever is lower.

In the absence of PAN of the shareholder, tax would be deductible at higher of, the applicable rate or 20% as per section 206AA of the IT Act. The provisions of section 206AA will, however not apply if the non-resident shareholder provides to the payer the following details as listed in Rule 37BC:

(i) name, e-mail id, contact number;
(ii) address in the country or specified territory outside India of which the shareholder is a resident;
(iii) Tax Residency Certificate;
(iv) Tax Identification Number/ Unique Identification Number of the shareholder.

3. Section 206AB provides for a higher withholding rate in case of any person (other than a non-resident who does not have a permanent establishment in India) who has not filed the return of income for assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted, for which the time limit for furnishing the return of income under sub-section (1) of section 139 has expired and the aggregate of tax deducted at source and tax collected at source in his case is rupees fifty thousand or more in the said previous year. The withholding tax rates in case of such person shall be higher of the following:

(i) at twice the rate specified in the relevant provision of the IT Act; or
(ii) at twice the rate or rates in force; or
(iii) at the rate of 5%.

Further, where the provisions of section 206AA of the IT Act are applicable to such person, tax shall be deducted at higher of the two rates provided in section 206AB and in section 206AA of the IT Act.

In case of non-resident shareholder, section 206AB would not apply, except where the non-resident has a Permanent Establishment in India.

Relaxation from higher rate of TDS / TCS for persons not required to furnish return of income – Sections 206AB and 206CCA.

Section 206AB deal with special provisions of TDS for non-filers of income-tax return, for deduction of tax at source at a higher rate, where payment is made to from Specified Person.

These provisions did not apply to payment made to a non-resident who does not have a Permanent Establishment in India. Similarly, it has now been provided that these provisions shall not apply to payments made to person who is not required to furnish the return of income for the assessment year and is notified by the Central Government in the Official Gazette in this behalf. Similar amendments are made in section 206CCA in respect of TCS provisions.

These amendments are applicable with effect from 1st April, 2023

4. Finance Act, 2021 has amended section 234C of the IT Act w.e.f. FY 2020-21 pursuant to which interest at the rate of 1% shall not apply in respect of shortfall of advance tax payment on account of under estimation or failure to estimate dividend income as defined in section 2(22), excluding sub-clause (e) thereof.

5. As per section 2(14) of the IT Act, any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall

be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.

6. The provisions of Indirect transfer in terms of Explanation 5 to section 9 of the IT Act shall not apply to non - resident investors, being Foreign Portfolio Investor ("FPI") Category -I and Category-II registered under Securities and Exchange Board of India (FPI) Regulations, 2014.

7. The period of holding for shares subscribed to by the shareholder on the basis of his right to subscribe to such shares or subscribed to by the person in whose favour the shareholder has renounced his right to subscribe to such shares, shall be reckoned from the date of allotment of such shares as provided under clause (d) to Explanation 1 to section 2(42A) of the IT Act.

   The period of holding in the hands of shareholder, for the rights which are renounced in favour of any person, shall be reckoned from the date of the offer of such right shares by the Company as per clause (e) to Explanation 1 to section 2(42A) of the Act.

8. Under the first proviso to Section 48 of the IT Act, in case of a non-resident shareholder, while computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case. The capital gains/loss in such a case is computed by converting the cost of acquisition, sale consideration and expenditure incurred wholly and exclusively in connection with such transfer into the same foreign currency which was utilised in the purchase of the shares.

9. Capital gains taxable under section 115AD would be computed without giving effect to the first and second proviso to section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains. In case of LTCG arising on long term capital assets referred to in section 112A, the gain will be chargeable to tax at 10% on income exceeding one lakh rupees.

   Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

10. For the purpose of computation of 'Capital Gains'. The 'cost of acquisition' as provided under section 55(2)(aa) of the IT Act would be as under:

    (a) in relation to the original shares, on the basis of which the shareholder becomes entitled to the right shares, the amount actually paid for acquiring the original shares;
    (b) in relation to renouncement of the right by the shareholder in favour of any person, to subscribe the shares, the cost would be taken as NIL, in the hands of such shareholder;
    (c) in relation to shares which the shareholder has subscribed on the basis of the said entitlement, the amount actually paid by him for acquiring such asset;
    (d) in relation to any shares purchased by any person in whose favour the right to subscribe to such asset has been renounced, the aggregate of the amount of the purchase price paid by him to the person renouncing such right and the amount paid by him to the Company for acquiring such shares;

    The grandfathering provisions under section 55(2)(ac) would not be applicable for computing cost of acquisition in relation of shares referred to under section 112A as the rights offer is made after the cut-off date of February 1, 2018 provided under the said section.

11. As per the seventh proviso to section 48, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

12. As per section 196D(2) of IT Act, tax is not required to be deducted at source from any income, by way of Capital Gains arising to a FII from the transfer of securities referred to in section 115AD of the IT Act.

13. The provisions of section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

    Further, section 115JB expressly provides that the amount of income from (i) capital gains arising on transactions in securities; or (ii) interest, royalty or fees for technical services chargeable to tax at the rates specified in Chapter XII, accruing or arising to a foreign company shall not be liable to MAT if such income is credited to the profit and loss account and the income-tax payable in accordance with the other provisions of the Income-tax Act, is less than the rate specified in section 115JB. The expenditures, if any, debited to the profit loss account, corresponding to such income (which is to be excluded from the MAT liability) shall also be added back to the book profit for the purpose of computation of MAT.

    W.e.f. FY 2020-21, Finance Act, 2021 extends the above relief from applicability of MAT provisions to dividend income accruing or arising to a foreign company and correspondingly, adding back of expenditure related to such dividend income.

14. Section 54EE of the Act exempts long-term capital gains on transfer of shares if the gains upto Rs. 50 lacs are invested in "long term specified assets" (i.e. units of notified fund) within six months from the date of transfer. The investment in long term specified assets should be held for 3 years.

    Further, if the units of the notified fund are transferred within a period of three years from the date of its acquisition, the amount of capital gains for which the exemption was availed earlier would be taxed as LTCG in the year in which such units are transferred.

    For the purposes of section 54EE of the IT Act. " long term specified assets" has been defined as a unit or units issued before April 1, 2019, of such fund as may be notified by the Central Government in this behalf.

15. As per section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of section 74 of the IT Act.

    Long Term Capital Loss computed for a given year is allowed to be set off only against the LTCG, in terms of section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years LTCG in terms of section 74 of the IT Act.

16. The CBDT has vide Notification No. 9/2014 dated January 22, 2014, notified FPIs registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of section 115AD of the IT Act.

17. Section 115QA requires the Company to pay distribution tax at the rate of 20% (plus applicable surcharge as cess) on buy- back of shares on any amount of distributed income (being difference between consideration paid for buy-back and the amount received by the company for issue of shares). As per section 10(34A) of the IT Act, income arising to the shareholders on such buy back of shares is exempt from income-tax in the hands of the shareholders.

18. TDS on income in respect of units of mutual funds held by non-residents – Section 196A

    Any person making payment to a non-resident(not being a company) or a foreign company, being income from units of a mutual fund is required to deduct tax at the rate of 20%.

    It is provided that where India has Double Tax Avoidance Agreements (DTAA) with the foreign country and where such agreement provides a benefit in the form of lower tax rate, non-residents shall be subject to TDS at lower of the rate provided in the said DTAA or 20%. This amendment is applicable with effect from 1st April, 2023

19. In case, where total income of any individual, AOP, BOI, Artificial Juridical Person includes any income by way of dividend or capital gains referred under section 115AD(1)(b), the rate of surcharge on the amount of income-tax computed in respect of such income shall not exceed 15%. The applicable rates of surcharge are tabulated hereunder:

Total Income	**Income other than Dividend & Capital gains covered u/s 111A, 112 and 112A**	**Dividend & Capital gains covered u/s 111A, 112 and 112A**
Upto Rs. 50 Lakhs	Nil	Nil
Income exceeds Rs. 50 Lakhs But does not exceed Rs. 1 crore	10%	10%
Income exceeds Rs. 1 crore But does not exceed Rs. 2 crore	15%	15%
Income exceeds Rs. 2 crore But does not exceed Rs. 5 crore	25%	15%
Income exceeds Rs. 5 crore	37% (under the old tax regime)	15%

{*Under New tax Regime w.e.f AY 2024-2025 u/s 115 BAC, maximum surcharge shall be restricted to 25% in case of individual , HUF, AOP and BOI}

20. As per section 90(2) of the IT Act, the provisions of the IT Act would prevail over the provisions of the DTAA entered between India and the country of residence of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident can opt to be governed by the provisions of

the IT Act or the applicable tax treaty (read with MLI, if applicable), whichever is more beneficial. The treaty and MLI provide for various anti-abuse provisions (viz. beneficial ownership, Limitation on Benefit, Principal Purpose Test, etc.) which have to be examined for claiming treaty benefit. In order to avail treaty benefit, the non-resident will also have to furnish a Tax Residency Certificate of his being a resident in a country outside India, alongwith Form No. 10F as prescribed under section 90(5) of the IT Act. Further, recently vide Notification No. 03/2022 dated 16 July 2022, the Directorate of Income Tax (Systems) has added Form 10F to the prescribed list of forms to be furnished electronically. However, a notification vide Folio No F. No. DGIT(S}-ADG(S)-3/e-Filing Notification/Forms/2022/9227 dated December 12,2022 has clarified that non-resident taxpayers who are not having PAN and are not required to obtain PAN as per relevant provisions of Act read with Income-tax rules, 1962 are exempted from mandatory electronic filing of Form 10F till March 31, 2023. Further, The CBDT vide F. No. DGIT(S)-ADG(S)-3/e-Filing Notification/Forms/2023/ 13420 dated March 28, 2023 has extended Form 10F e-filing exemption for Non-residents without PAN till September 30, 2023.

CIV. Category III Alternative Investment Fund located in International Financial Services Centre & Investment Division of an Offshore Banking Unit:

1. W.e.f. FY 2020-21, the provisions of section 115AD are extended to a ‘specified fund’ defined under clause (c) of the Explanation to clause (4D) of section 10. ‘Specified fund’ is defined to mean a fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate,

   (i) which has been granted a certificate of registration as a Category III Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012 made under the SEBI Act, 1992 or IFSC Authority Act, 2019;
   (ii) which is located in any International Financial Services Centre; and
   (iii) of which all the units are held by non-residents other than unit held by a sponsor or manager;

   Finance Act, 2021 has w.e.f. FY 2021-22 further amended the definition of specified fund to also mean an investment division of an offshore banking unit, which has been

   (i) granted a certificate of registration as a Category I FPI under the SEBI (FPI), Regulations, 2019 made under the SEBI Act, 1992 which has commenced its operations on or before the 31st day of March, 2024; and
   (ii) fulfils such conditions including maintenance of separate accounts for its investment division, as may be prescribed

2. The rate of income-tax prescribed under section 115AD(1) on various streams of income is as under:
   (i) Income in respect of inter alia shares 10%
   (ii) Short Term Capital Gains covered under section 111A 15%
   (iii) Other Short Term Capital Gains 30%
   (iv) Long Term Capital Gains 10%
   (In case of Long Term Capital Gains covered under section 112A, tax shall be calculated on gains exceeding

   The computation of income has to be in accordance with section 115AD and other applicable provisions of the IT Act.

   Finance Act, 2021 has further inserted a new sub-sections (1B) w.e.f FY 2021-22 to propose that notwithstanding anything contained in section 115AD(1), in case of investment division of an offshore banking unit, the provisions of this section shall apply to the extent of income that is attributable to the investment division of such banking units.

3. The provisions of section 115AD shall apply only to the extent of income that is attributable to units held by non- resident (not being a permanent establishment of a non-resident in India) calculated in the prescribed manner. Further, as per section 115JEE, the provisions of Alternate Minimum Tax shall not apply to such specified funds.

4. Section 196D(1A) provides for deduction of tax on any income in respect of securities referred to in section 115AD(1)(a) at the rate of 10% (plus applicable surcharge and cess). Provided that no deduction shall be made in respect of an income exempt under section 10(4D). In the absence of PAN, TDS rate would be increased to 20% as per section 206AA.

CV. Investment Funds – Category I or Category II Alternative Investment Fund ("AIF") :

1. Under section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income tax. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

2. As per section 115UB(1) of the IT Act, any income accruing/arising/received by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

3. In case, the Fund incurs any losses, only the business losses would be eligible to be carried forward and set-off by the Fund at the Fund level. The prescribed conditions laid down under the IT Act for carry forward and set off of losses should be applicable to the Fund in this regard.

   Losses other than business loss shall be allowed to be carried forward and set-off by the Unitholders while computing the total tax liability, provided that the units of the Fund are held for a period of more than 12 months. Further, such loss cannot be carried forward at Fund level even if the loss is not passed onto the Investors on account of non- fulfilment of condition of holding the units for at least 12 months. The eligible period for carry forward of losses would depend on the nature of loss.

4. Section 115UB of the IT Act further provides that:
   (i) Income paid or credited by Fund shall be deemed to be of the same nature and in the same proportion in the hands of the Investors as if it had been received by or had accrued or arisen to Fund.
   (ii) Income accruing or arising to, or received by, Fund, during a particular financial year, if not paid or credited to the Investors shall be deemed to be credited to the account of the Investors on the last day of the financial year in the same proportion in which such Investors would have been entitled to receive the income, had it been paid in the same financial year.

5. As per section 10(23FBB) read with section 115UB of the IT Act, any business income, accruing or arising to or received by Investors of the Fund, shall be exempt in the hands of the Investors and taxed in the hands of the Fund at the rates specified in the Finance Act of the relevant year where the Investment Fund is a company or a firm and at maximum marginal rate in any other case.

6. Income received by Fund which is exempt in its hand under section 10(23FBA) would not be subjected to any withholding tax by virtue of section 197A(1F) read with Notification No.51/2015/SO1703(E) dated June 25, 2015.

7. Further, as per section 194LBB of the Act, where any income, other than that proportion of income which is of the same nature as income referred to in section 10(23FBB) of the Act, is payable to a unit holder in respect of units of an Investment Fund, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other mode, whichever is earlier, deduct income-tax thereon:
   (i) at the rate of 10% where the payee is a residents; and at the rates in force where the payee is a non-resident.

CVI. Mutual Funds:

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

CVII. Provident Fund and Pension Fund:

Under section 10(25) of the IT Act, any income received by trustees on behalf of a recognized provident fund and a recognized superannuation fund is exempt from tax.

CVIII. Multi-lateral and Bilateral development Financial Institutions:

Generally, Multilateral and bilateral development financial institutions may be exempt from taxation in India on the capital gains arising on the sale of shares of the bank depending on the applicable Statute and Acts passed in India. For e.g., World Bank, IBRD, IFC, etc. In case, they are not specifically exempt from tax then the provisions as applicable for capital gains to a non-resident FII, as they should be registered as FII, should apply to these institutions.

Expanding the scope of tax incentives to IFSCs – Sections 10(4D), 10(4E), 47 (viiad) and 115UB

Several tax concessions are available under the Act to units located in International Financial Services Centre (IFSC). With a view to make the IFSCs global hubs of financial services sector, some more concessions have now been provided.

Clause (b) of the Explanation to section 47(viiad) has been amended to extend the date for transfer of assets of the original fund, or of its wholly owned special purpose vehicle, to a resultant fund in case of relocation to 31st March, 2025 from current limitation of 31st March , 2023.

This amendment is applicable with effect from Assessment Year 2023-24.

The exemption is presently available under section 10(4E) to the income of non-residents on transfer of Offshore Derivative Instruments (ODI) entered into with a an IFSC Banking unit. This, however, resulted in double taxation of income (first, when the income is received by the banking unit in an IFSC and secondly when the income is distributed to the unit holders).

In order to avoid this double taxation, the exemption available in section 10(4E) is now extended to the distribution of income on offshore derivative instruments entered into with an offshore banking unit of an

International Financial Services Centre as referred to in sub-section (1A) of section 80LA, which fulfils such conditions as may be prescribed. It has also been provided that such exempted income shall include only that amount which has been charged to tax in the hands of the IFSC Banking Unit under section 115AD.

This amendment is applicable with effect from Assessment Year 2024-25.

CIX. INCOME TAX ON GIFTS

Under section 56(2)(x) of the IT Act and subject to exception provided therein, if any person receives from any person, any property, including, inter alia, shares of a company, without consideration or for inadequate consideration, the following shall be treated as ‘ Income from other sources’ in the hands of the recipient:

(i) where the shares are received without consideration, aggregate Fair Market Value (“FMV) exceeds Rs.50,000/-, the whole FMV

(ii) where the shares are received for a consideration less than FMV but exceeding Rs.50,000/, aggregate FMV in excess of the consideration paid.

Rule 11UA of the Income- tax Rules, 1962 (“the Rules”) provides for the method for determination of the FMV of various properties (including shares).

CX. GENERAL ANTI AVOIDANCE RULES (“GAAR”)

Having regard to Chapter X-A of the IT Act, GAAR may be invoked notwithstanding anything contained in the IT Act. Thus, any arrangement entered into by a taxpayer may be declared to be impermissible avoidance arrangement, as defined in that Chapter and the consequence would inter alia include denial of tax benefit. Further, as per section 90(2A), the benefit of the DTAA will not be available to a non-resident investor, if the concerned tax authorities declare any arrangement to be an impermissible avoidance arrangement. The GAAR provisions are applicable with effect from the Financial Year 2017- 18.

CXI. TAXATION OF CAPITAL GAINS IN CASE OF MARKET LINKED DEBENTURES – SECTION 50AA

Presently, long term capital gains on transfer of Market Linked Debentures which are listed securities, are taxed @10% without indexation.

Market Linked Debentures has now been defined as a security by whatever named called, which has an underlying principal component in the form of a debt security and where the returns are linked to the market returns on the underlying securities or indices, and includes any security classified or regulated as a market linked debenture by SEBI.

Section 50AA is inserted to deem the capital gains from transfer or redemption or maturity of these securities, irrespective of their holding period, as capital gains from the transfer of a short –term capital asset.

Securities Transaction tax paid will not be allowed as a deduction while computing income chargeable under the head capital gains.

This amendment is applicable with effect from Assessment year 2024-2025

Notes:

1. The above benefits are as per the current tax law as amended from time to time as applicable to the financial year 2023 - 24.

2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences in relation to the purchase, ownership and disposal of the equity shares.

3. This statement is intended only to provide general information to the shareholders and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each shareholder is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. These views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. The Company does not assume responsibility to update the views consequent to such changes.

5. The above statement sets out the possible tax benefits in the hands of the Company, its subsidiaries and its shareholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

I. Under the Indirect Tax Laws

1. Special indirect tax benefits available to the Company and Subsidiaries

The Company and its Subsidiaries are not entitled to any special tax benefits under indirect tax laws.

2. Special indirect tax benefits available to Shareholders.

The Shareholders of the company are not entitled to any special tax benefit under indirect tax laws.

NOTES:

1. 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 or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
2. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The 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.

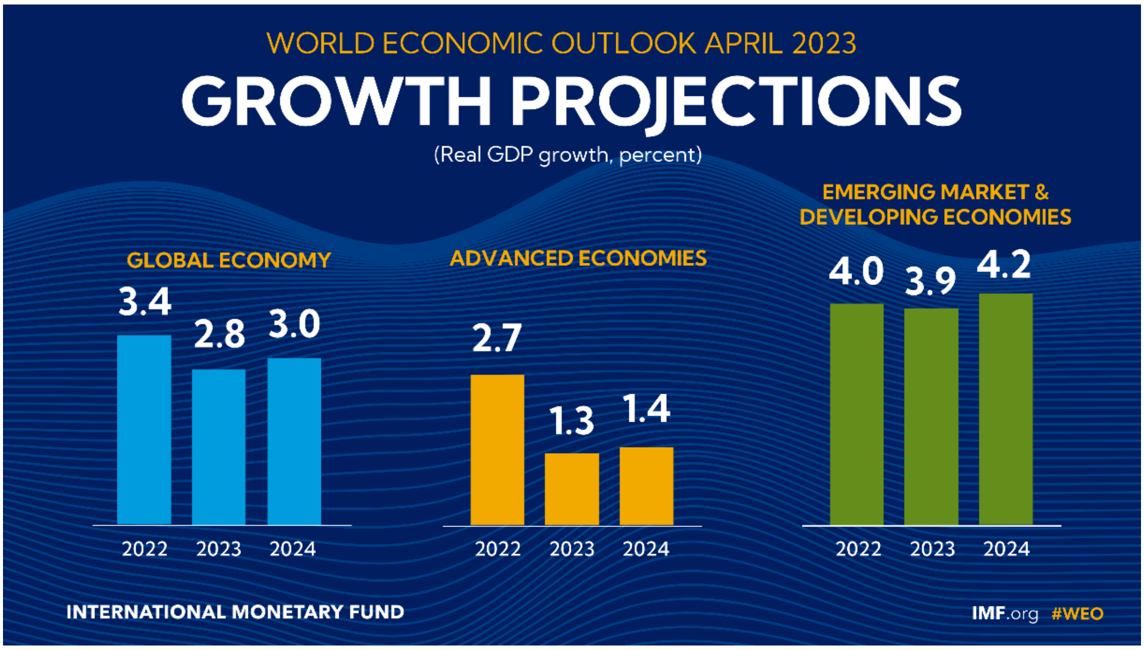
SECTION IV: ABOUT THE COMPANY

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. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMY AT LARGE

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia's invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

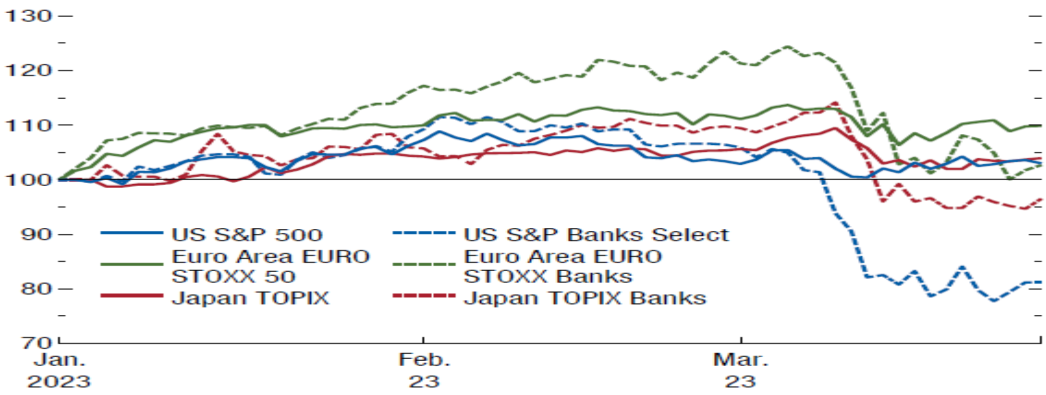


(*Source:* https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023?cid=ca-com-compd-pubs_belt)

Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks' generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1).

Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies
(Index; January 1, 2023 = 100)

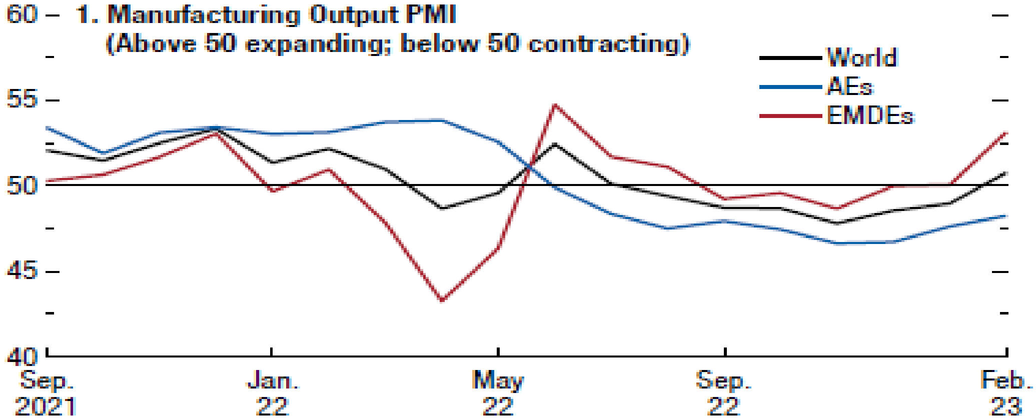


Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Latest data available are for March 28, 2023.

Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist (see also Chapter 1 of the April 2023 Global Financial Stability Report). Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia's invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely.

Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter (Figure 1.2, panel 3).

Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed
(Indices)



With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in

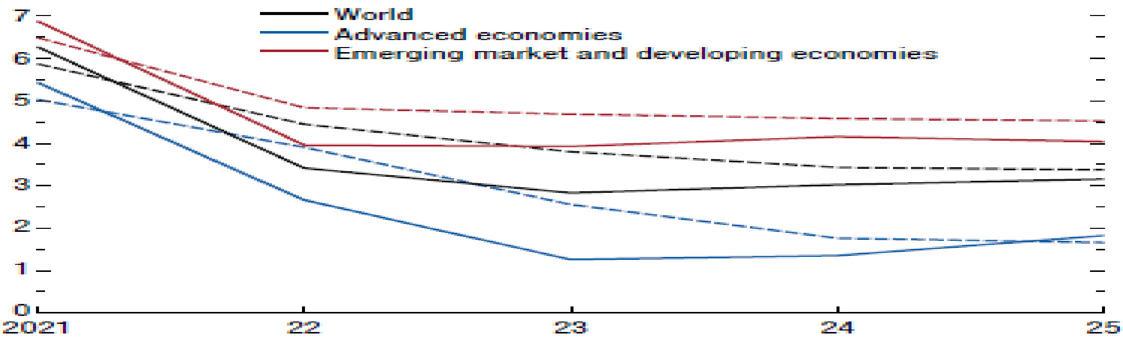
2022—central banks' tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geo-economic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023.

But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing—particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Feeble and Uneven Growth

The baseline forecast is for global output growth, estimated at 3.4 percent in 2022, to fall to 2.8 percent in 2023, 0.1 percentage point lower than predicted in the January 2023 WEO Update (Table 1.1), before rising to 3.0 percent in 2024. This forecast for the coming years is well below what was expected before the onset of the adverse shocks since early 2022. Compared with the January 2022 WEO Update forecast, global growth in 2023 is 1.0 percentage point lower, and this growth gap is expected to close only gradually in the coming two years (Figure 1.13). The baseline prognosis is also weak by historical standards. During the two pre-pandemic decades (2000–09 and 2010–19), world growth averaged 3.9 and 3.7 percent a year, respectively.

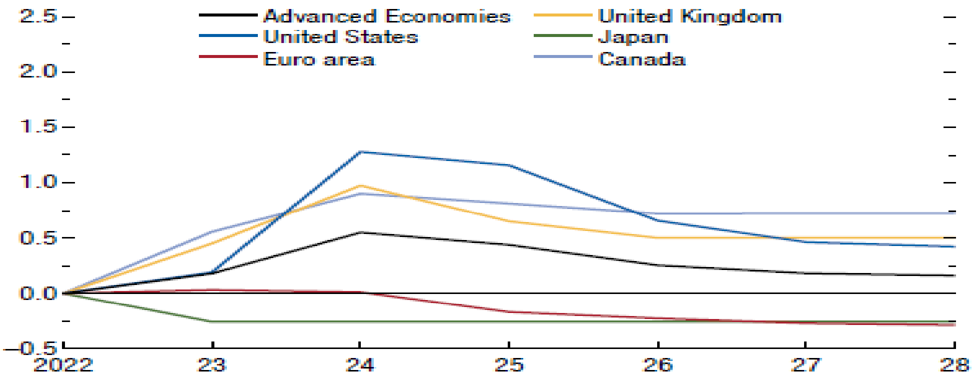
Figure 1.13. Growth Outlook: Feeble and Uneven
(Percent; dashed lines are from January 2022 WEO Update vintage)



Source: IMF staff calculations.
Note: The figure shows the projected evolution of real GDP growth for the indicated economy groups. WEO = *World Economic Outlook*.

For advanced economies, growth is projected to decline by half in 2023 to 1.3 percent, before rising to 1.4 percent in 2024. Although the forecast for 2023 is modestly higher (by 0.1 percentage point) than in the January 2023 WEO Update, it is well below the 2.6 percent forecast of January 2022. About 90 percent of advanced economies are projected to see a decline in growth in 2023. With the sharp slowdown, advanced economies are expected to see higher unemployment: a rise of 0.5 percentage point on average from 2022 to 2024 (Figure 1.14).

Figure 1.14. Projected Unemployment Rate Rises in Advanced Economies
(Percentage point difference from 2022 level)



Source: IMF staff calculations.

For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On average, growth is expected to be 3.9 percent in 2023 and to rise to 4.2 percent in 2024. The forecast for 2023 is modestly lower (by 0.1 percentage point) than in the January 2023 WEO Update and significantly below the 4.7 percent forecast of January 2022. In low-income developing countries, GDP is expected to grow by 5.1 percent, on average, over 2023–24, but projected per capita income growth averages only 2.8 percent during 2023–24, below the average for middle-income economies (3.2 percent) and so below the path needed for standards of living to converge with those in middle-income economies.

Plausible Alternative Scenario

Recent events have revealed how greater-than expected fragilities in segments of the banking systems of the United States and of other regions can cause financial sector turmoil. The fragilities come from a combination of unrealized losses, which reflect the speed and magnitude of monetary policy tightening, and reliance on uninsured or wholesale funding. Further shocks stemming from such fragilities are plausible, with potentially significant impact on the global economy. This subsection uses the IMF's Group of Twenty (G20) Model to analyze the economic consequences of a scenario in which pertinent and plausible risks materialize. The plausible alternative scenario assumes a moderate additional tightening in credit conditions. The tightening stems from further stress in individual banks that are vulnerable on two metrics: share of nonretail or uninsured depositors and unrealized losses. Funding conditions for all banks tighten, due to greater concern for bank solvency and potential exposure across the financial system. Stricter supervision also adds to more cautious bank behavior. The overall impact is a decrease in the supply of credit and higher spreads for non -financial firms and for households. It is assumed that the stock of real bank lending in the United States declines by 2 percent in 2023, relative to the baseline about one-tenth of the decrease experienced during 2008–09 and equivalent to a 150-basis point increase in corporate spreads, on average, in 2023. The tightening gradually dissipates after 2023. A similar decrease in credit and a similar increase in spreads occur in the euro area and in Japan. Other countries also experience a tightening in financial conditions, with the magnitude related to how closely correlate their respective financial conditions are with conditions in the United States. Countries are also affected through trade spillovers and the impact on global commodity prices.

The scenario assumes that monetary policy responds to the resulting decline in economic activity and inflationary pressures, with policy rates lower than in the baseline. Regarding fiscal policy, it is assumed that automatic stabilizers operate but that there is no additional legislated stimulus. Balance sheet policies and other interventions by central banks and regulators, to preserve the stability of the financial system, are not explicitly modeled but are implicitly assumed to help avert a larger crisis.

Figure 1.15 summarizes the global effects of this plausible alternative scenario on the level of real GDP in 2023 and 2024. Results are presented as percentage deviations from the baseline forecast. The moderate tightening in financial conditions leads to a decrease in the level of world output by 0.3 percent in 2023, implying real growth of about 2.5 percent instead of 2.8 percent in the baseline forecast the lowest outcome since the global slowdown of 2001, excluding the initial COVID-19 crisis in 2020 and the global financial crisis in 2009. Real GDP is 0.2 percent lower than the baseline in 2024 and gradually recovers thereafter. The effects are generally larger in advanced economies than in emerging market economies, with growth falling below 1 percent compared with 1.3 percent in the baseline forecast. The United States, the euro area, and Japan have the largest declines in growth compared with the baseline: about 0.4 percentage point lower in 2023. Countries with greater trade exposures to the United States (such as Mexico and Canada) experience a sharper impact; those with smaller exposures (such as China) are less affected.

(*Source:* https://www.imf.org/en/Publications)

INDIAN ECONOMY

Introduction

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

Market size

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23.

Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US$ 1 trillion by 2030.

Recent Developments

India is primarily a domestic demand-driven economy, with consumption and investments contributing to 70% of the economic activity. With an improvement in the economic scenario and the Indian economy recovering from the Covid-19 pandemic shock, several investments and developments have been made across various sectors of the economy. According to World Bank, India must continue to prioritize lowering inequality while also putting growth-oriented policies into place to boost the economy. In view of this, there have been some developments that have taken place in the recent past. Some of them are mentioned below.

- As of September 21, 2022, India's foreign exchange reserves stood at US$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tons of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US$ 31.74 billion) to their accounts.

Government Initiatives

Over the years, the Indian government has introduced many initiatives to strengthen the nation's economy. The Indian government has been effective in developing policies and programs that are not only beneficial for citizens to improve their financial stability but also for the overall growth of the economy. Over recent decades, India's rapid economic growth has led to a substantial increase in its demand for exports. Besides this, a number of the government's flagship programs, including Make in India, Start-up India, Digital India, the Smart City Mission, and the Atal Mission for Rejuvenation and Urban Transformation, are aimed at creating immense opportunities in India. In this regard, some of the initiatives taken by the government to improve the economic condition of the country are mentioned below:

- Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed Bhoomi Pujan of Shri Tanto Mandir Complex Project under Border Tourism Development Program in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defense' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
- Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
- The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of bio capsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM Gati Shakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM Gati Shakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to

boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.

- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US$ 27 billion) over five years to create jobs and boost production in the country.
- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US$ 110 billion by 2030.
- India is expected to attract investment of around US$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

Road Ahead

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

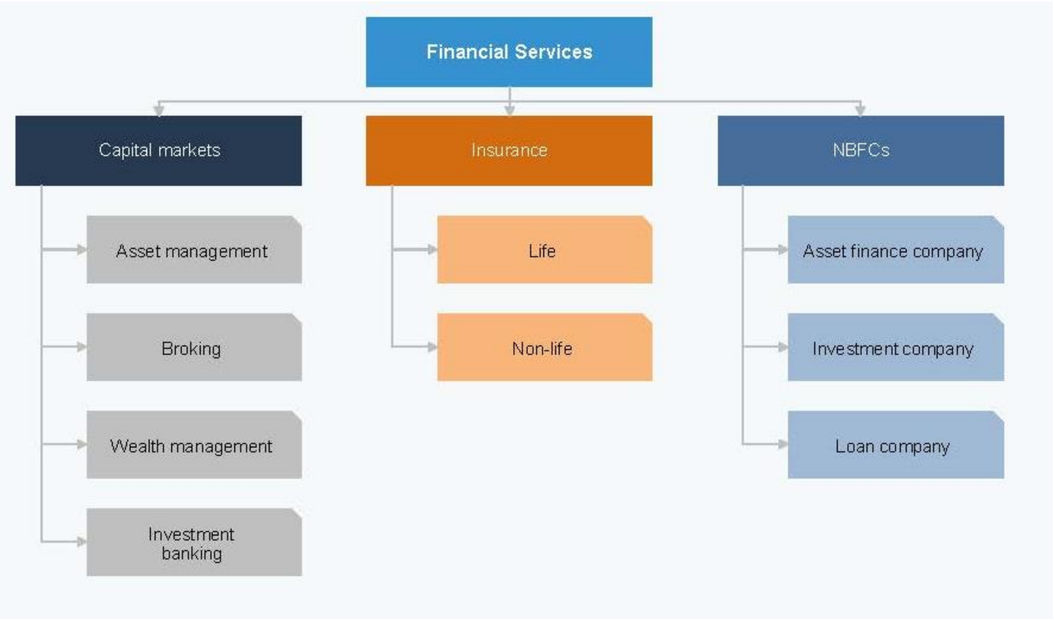
India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year, signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

Source: https://www.ibef.org/industry/financial-services-india

INDIAN FINANCIAL SERVICES INDUSTRY INTRODUCTION

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



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

MARKET SIZE

As of January 2023, AUM managed by the mutual funds industry stood at Rs. 39.62 trillion (US$ 478.08 billion). Inflow in India's mutual fund schemes via systematic investment plan (SIP) stood at Rs. 1.5 lakh crore (US$ 18.09 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 US$ 888 million (Rs 7,303.39 crore) in December as compared to a 21-month low of US$ 274.8 million (Rs 2,258.35 crore) 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 at Rs. 1.87 lakh crore (US$ 22.5 billion).

Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US$ 7.17 billion was raised across 40 initial public offerings (IPOs). The number of companies listed on the NSE increased from 135 in 1995 to 2,113 by FY23 (till December 2022).

INVESTMENTS/DEVELOPMENTS

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

- In November 2022, Unified Payments Interface (UPI) recorded 7.30 billion transactions worth Rs. 12.11 trillion (US$ 148.63 billion).
- The number of transactions through immediate payment service (IMPS) reached 482.46 million (by volume) and amounted to Rs. 4.66 trillion (US$ 57.05 billion) in October 2022.
- India's PE/VC investments were at US$ 77 billion in 2021, which was 62% higher than 2020.
- In 2021, Probus acquired Indian payments giant Bill Desk 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 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 company - 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 development of sustainable finance hub and provide 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 6.11 lakh HNWIs by 2025. 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 of 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.

Growth of financial service sector in India

The Association of Mutual Funds in India (AMFI) is targeting a nearly five-fold growth in AUM to Rs. 95 lakh crore (US$ 1.47 trillion) and more than three times growth in investor accounts to 130 million by 2025.

India's Fintech space is expected to further fuel this growth in various segments. India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD$ 492.6 billion) during the same period.

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: Conversion rate used for November 2022 is Rs. 1 = US$ 0.012

GROWTH DRIVERS IN FINANCIAL SECTOR

Shift to Financial Asset Class

- Financial sector growth can be attributed to rise in equity markets and improvement in corporate earnings.
- By 2022, India's personal wealth is forecast to reach US$ 5 trillion at a CAGR of 13%. It stood at US$ 3 trillion in 2017.

Government Initiatives

- In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assets and register complaints against 'Benami' properties.
- In December 2020, a US$ 50-million policy-based loan to enhance financial management practices and operational efficiencies aimed at achieving greater fiscal savings, fostering informed decision-making and enhancing service delivery in West Bengal was signed by the Asian Development Bank (ADB) and the Government of India.
- In November 2020, the Union Cabinet approved the government's equity infusion plan for Rs. 6,000 crores (US$ 814.54 million) in the NIIF Debt Platform funded by the National Investment and Infrastructure Fund (NIIF) consisting of Aseem Infrastructure Finance Limited (AIFL) and NIIF Infrastructure Finance Limited (NIIF) (NIIF-IFL).

Others

- In January 2021, the National Stock Exchange (NSE) launched derivates on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors with more flexibility to manage their finances.
- On December 02, 2020, the International Financial Services Centers Authority (IFSCA) obtained membership to the International Association of Insurance Supervisors (IAIS).
- Investment by FPIs in India's capital market reached a net Rs. 12.52 lakh crore (US$ 177.73 billion) between FY02-21 (till August 10, 2020).

FAVOURABLE POLICY MEASURES AND GOVERNMENT INITIATIVES

1. Budgetary measures

- Under the Union Budget 2022-23, the government allocated Rs. 1,538,779.45 crore (US$ 204.36 billion) to the Ministry of Finance.
- Under the Union Budget 2021-22, the government allocated Rs. 1,386,273.30 crore (US$ 191.54 billion) to the Ministry of Finance.
- An Asset Reconstruction Company Limited and Asset Management Company will be formed to consolidate and take over existing stressed debt and manage and dispose of assets.
- An institutional framework will be created for the corporate bond market to inculcate confidence among

participants and augment liquidity of secondary markets.
- To promote the International Financial Services Centre (IFSC) in GIFT City (Gujarat International Finance Tech City), the budget proposed more tax incentives.

2. International Financial Services Centers Authority (Banking) Regulations, 2020

- In November 2020, the IFSC Authority approved the International Financial Services Centers Authority (Banking) Regulations, 2020.
- Key highlights of the regulation include the following:
  – Outlining the criteria for establishment of the IFSC Banking Units (IBUs).
  – Permission to open foreign currency accounts in any freely convertible currency at IFSC Banking Units for people residing outside India (IBUs).
  – Allowing individuals residing in India to open foreign currency accounts at IFSC Banking Units (IBUs) in any freely convertible currency to pursue any permissible current account.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend an approach towards development of sustainable finance hub and provide road map for the same.

3. FDI requirement for fund based and non-fund based financial entities.

- In April 2018, the Government issued minimum FDI capital requirement of US$ 20 million for unregistered /exempt financial entities engaged in 'fund-based activities and threshold of US$ 2 million for unregistered financial entities engaged in 'non-fund-based activities.
- The government has approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22

4. Tax incentives

- Insurance products are covered under the EEE (exempt, exempt, exempt) method of taxation. This translates to an effective tax benefit of approximately 30% on select investments (including life insurance premiums) every financial year.
- Reduction in securities transaction tax from 0.125% to 0.1% on cash delivery transactions and from 0.017% to 0.1% on equity futures.
- Indian tax authorities plan to sign bilateral advance pricing agreement with a number of companies in Japan. The agreement is aimed at avoiding conflicts with multinational companies over sharing of taxes between India and the countries where these firms are based.

5. Other initiatives

- In August 2020, the IRDAI modified its dividend criteria for investment—in which insurers are now permitted to classify investments in preference and equity shares as part of "approved investments ", if such shares have paid dividend for at least two out of three consecutive years immediately preceding. This relaxation is valid from April 1, 2020, to March 31, 2021.
- In May 2021, the Union Cabinet, chaired by Prime Minister Narendra Modi approved signing of a Memorandum of Understanding (MoU) between the Institute of Chartered Accountants of India (ICAI) and Qatar Financial Centre Authority (QFCA). The MoU would enhance cooperation between the institutes to work together to strengthen the accounting profession and entrepreneurship base in Qatar.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US$ 6 billion factoring sector.
- 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.
- In September 2021, Bank of India announced it has entered a co-lending arrangement for micro, small and medium enterprise (MSME) loans with an Ahmedabad-based non-bank financier MAS Financial Services Ltd.

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

OUR BUSINESS

Overview

Our corporate journey started way back in 1984 with a vision to become a trusted intermediary in the Indian financial markets. The company is promoted by Mr. Asit C. Mehta and Mrs. Deena A. Mehta, known professionals with high reputation in the Indian financial circle. We operate out of our Head Quarter in Mumbai, branches and associates spread out all over the country with equally strong presence online through our state of the art online portal www.investmentz.com We, Asit C. Mehta Financial Services Limited is the holding company of the group with Equity listed on BSE. Our material subsidiary, Asit C. Mehta Investment Interrmediates Limited (ACMIIL) is member of BSE, NSE and Depository Participant of CDSL.

Asit C. Mehta Financial Services Limited (ACMFSL), is a leading technology led integrated financial services organization having presence through its subsidiary companies Asit C. Mehta Investment Interrmediates Limited and Edgytal Fintech Investments Services Private Limited these services includes Stock Broking, Portfolio Management Services, Wealth Management and FINTECH.

ACMIIL is a leading brokerage house with strong presence in the retail market with over 1,45,000 registered clients as on 18th August, 2023. Our journey started with select HNI investors wanting to invest through Bombay Stock Exchange in listed equities. Over a period of time, the range of investors expanded to pure retail, HNIs, NRIs, corporates, mutual funds and few FIIs. The stock exchanges transformed from an open outcry system to highly sophisticated technology based digital market infrastructure reaching out to all the investors across the globe including the most remote part of the country.

We have kept pace with the new technologies getting introduced in the exchanges in particular and Businesses in general. Currently, we service our customers through the most advanced technologies including mobile app ***`investmentz'*** the trading system is also available through desktop version. Our retail locations across the geography use highly sophisticated CTCL version giving the benefit of technology to the remotest part of the country.

We help our investors to invest in listed equity through BSE and NSE. The investments made through the exchanges are held in dematerialized digital form with depository. The trading data and holding details are available online. The investors can also participate in the Initial Public Offer (IPO) as and when a new business decides to invite investment through participation by retail and institutional investors by way of listing. We also distribute Mutual Fund schemes for investors who prefer an expert fund house to manage their equity exposure. We make available the facility to participate in exchange based derivative products in equity and currency. The largest chunk of volume growth has occurred in exchange-based equity derivative products comprising of futures and options. Equity derivative products are a good tool to hedge equity portfolio. However, a larger part of the participation is view based trading. We provide limited margin funding. We also hold portfolio management license required by SEBI to offer PMS services to HNIs. We have an active PMS desk with Rs. 62.31 crores under management as on July 31, 2023, as stockbrokers we are permitted to offer advisory services to our retail investors. We provide advisory information to investors based on their holdings.

As on 18th August, 2023 we have 145592 registered investors, 153 Authorised Persons, 197 business associates and 780 (number) marketing agents. We have presence in appx. 218 cities in terms of our retail presence.

We believe every saver should have access to all investment products with proper advice. Our business model has been based on the guiding principle that every investor need to secure their finances with help of saving and investments. We keep introducing products aimed at meeting that objective. As such, our product range includes debt products like treasury bills, fixed deposits, corporate bonds, tax free bonds, etc. We also offer exposure to gold through sovereign gold bonds issued by RBI, mutual funds focused on gold etc. We believe, participation in highly sophisticated and risky instruments like futures and options in equity, and currency are meant for financially strong and savvy investors. We have imbibed our learning of past four decades in investor servicing. Technology has enabled us to reach our investors directly. Our aim is to build up a large client base who are focused on securing their future through savings and investments. One of our promoters, Mrs. Deena A Mehta has been actively involved in investor education having conducted over 1000 investor seminars.

We provide a wide range of financial services to our investors including the following:

- ***Broking and Advisory****:* We provide broking services across equity (cash-delivery, intra-day, futures and options), commodity and currency segments, along with debt products. We facilitate participation of our clients in initial public offerings (IPO), disinvestment of PSU undertaken by various companies and government. Our company is a member of NSE & BSE and also provides an account with CDSL to hold investment in digital form. To augment our broking and advisory services, we also provide the following additional services to ourclients:

(i) *Retail and Institutional Research Services*: The level of detailing is different in the two segments and as such we have separate teams for addressing the needs of the two sets of investors. They focus on fundamental research of companies and industries. They also look at the price movements on a technical chart for traders. They have a range of investment and trading products for different needs. The teams track their own recommendations and inform their investors as and when the target is achieved or stop loss has triggered.

(ii) *Investment Advisory*: We provide regular investment advisory reports to our retail clients based on their portfolio holding. We also provide service to have client specific portfolio review to help investor take corrective action. In the advisory, the decisions are completely left to the investors.

(iii) *Investor Education*: Investor education is the core of our business. As such, regular investor awareness and education programs are conducted both off-line at investor location and on-line though zoom and other apps. The focus is on various specific products, ideas apart from general coverage. Knowledge centre on the web site also offers a range of articles and recordings of the past investor awareness programs

- ***Other Financial Services***: In addition to our broking and advisory services, we also provide the following financial services that may enable our clients to achieve their financial goals:

(i) *Margin Trading Facility*: We provide limited margin trading facility to our clients for leveraging their eligible collaterals by funding their requirements on the cash delivery segment of equities. Such funding is subject to exposure against margins that are mandated by the stock exchanges, with the securities forming a part of thecollateral for such funding.

(ii) *Distribution*: We undertake distribution of third-party financial products such as mutual funds, corporate Fixed Deposits, investment in gold through our products `Chhota Nivesh', NPS, treasury bills, sovereign gold bond. We believe that our distribution business helps our clients to allocate their investments in different products with different risk / reward. It also provides us an opportunity to engage with the clients for a long term and assures recurring revenue stream.

(iii) *Portfolio Management Service (PMS)*: ACMIIL holds a portfolio management license. The corpus as on 31st July, 2023 is Rs. 62.10 crores. We offer a range of schemes to meet different financial objectives. We are primarily driven by principles of value investing.

Our Strengths

We believe we have the following competitive strengths:

1. *Ability and willingness to change with time.*

We have been in the brokerage industry for about four decades. The industry as it was in mid eighties and as it is today is way different. The client base has exploded. Compliance has become the core driving force of the business. Technology has facilitated reach and transparency to an unprecedented level. All of this needs an organization to continuously re-invent itself. This is expected of any business. However, the pace and limited time-frame is incomparable to any other businesses. We have managed to keep absorbing the technology and compliance related changes managing to stay relevant.

2. *Reputation for fair and conservative investor oriented approach.*

We believe we have managed to maintain our reputation of clean and conservative dealing backed by strong processes on the principle of ISO. Typically an investor client base looks forward to trust worthy intermediary where they can associate for their financial services need for a long term.

3. *A full bouquet of financial services. One stop shop for your needs.*

We function with a single minded agenda of ensuring that the client is able to fulfill their requirements of various financial services in a fair and transparent manner without having to deal with multiple entities. To achieve that, we have obtained requisite memberships, licenses and registrations. We have inducted staff with relevant experience and understanding. We are drawn up processes and installed or developed requisite softwares. We provide for client learning and also have laid out channels of communication to ensure a pleasant service experience.

4. **Key initiatives for future growth and margin expansion taken / underway:**

We recognize the changing dynamics of the financial services in general and broking services in particular. The conventional brokerage business has undergone a transformation making it a very smooth and real time experience. The business has commoditized resulting in very high volume but low margin. The time has come to build a bigger client base at the same time also put in efforts in value added services. During the year, the management focused on identifying and materializing the next phase of growth levers for the Company. These levers mainly include venturing into high growth value added segments with large potential, amplifying the technology and digital base including setting up of Platforms, enhancing the research base for the Institutional business, identification of potential targets for acquisitions and development of state-of-the-art tech platforms for third parties leveraging the in-house expertise and tech, among others. All these efforts require us to incur additional costs on account of recruitment of new team members, branding, marketing, and promotions, enhancing presence across the targeted geographies, develop technologies, among others.

Following is a detailed account of the key initiatives:

- **Setting up of Wealth Management Services:** Envisaged to service investors by distributing various high-end products including PMS, AIF Investments, Mutual Funds, among others.
- **Distribution Products for Non-resident Indians (NRIs):** Marketing Distribution Products to NRIs is another high growth-oriented segment. Senior staff has been recruited on PAN India basis.
- **Expansion of B2B Network:** Company is aggressively expanding its B2B network PAN India and has recruited senior staff for the same. Additionally, agents for Insurance, Mutual Funds, Postal Agents, etc. are being registered through continuous webinars.
- **Inorganic Acquisitions:** Company is looking at inorganic growth by acquiring other broking firms who wish to consolidate and reduce the cost and hassle of compliance.
- **Enhancing the Institutional Equities Research:** Company has set up a research team to service Institutional clients, we expect growth in this income due to improvement in our grading amongst institutions. We have already onboarded 70 institutions as on date.
- **Investment Baskets and Products for Retail Investors:** Company is investing in setting up a platform called "Chhota Nivesh" for retail investors looking to invest small sums. Additionally, products such as I-Baskets, National Pension Scheme (NPS), Sovereign Gold Bonds, Government Bonds, Corporate Fixed Deposits, T-Bills etc. are being made online and can be seamlessly obtained from stock the exchanges through a single mobile app called **"INVESTMENTZ"**.

5. *Experienced management team with proven execution capabilities*

The management team got a big boost due to strategic investment by Cliqtrade Stock Brokers Private Limited couple of months back. The promoters of Cliqtrade Mr. Mahavir Lunawat and Mrs. Madhu Lunawat are professionally qualified investment bankers with over 20 years of experience each. The Promoters Mr. Asit C. Mehta and Mrs. Deena A. Mehta are also professionally qualified stock brokers with over 40 years of experience each. Between the four of them, the group has rich experience in financial services including investment banking. We have a strong senior management team to shoulder the responsibility of various functions. Key persons are Mr. Rewansh Jain (President, with 15 years of experience working as Chief Digital & Strategy Officer), Mr. Prakash Jain (President, with 20 years of experience working as Chief Business Officer), Mr.Pankaj Parmar (President, with 28 years of experience, heading Bank Tie-ups & New Broker acquisitions), Mr. Ahsan Farooqui (President, with 15 years of experience, working as Chief Technology Officer), Ms. Purvi Ambani (President, with 25 years of experience heading Investment Banking

Our management team is completely geared to ensure that the key initiatives laid out before them is converted into a detailed action plan and implement it to achieve the objective laid before them. The entire agenda is to build a scale, reach the smallest destination where there is a saver and get them into the investment fold by using technology extensively.

Our Strengths

Following are strengths of our company:

- We are a process-oriented company with the stress on a structured organization having clarity on role responsibilities at various levels.
- Our business philosophy is to promote an investment culture. And as such we encourage savers to follow the path of sensible wealth creation through proper asset allocation.
- Reputation of fair and transparent dealing built by the promoters over last 4 decades ensures a very high level of client stickiness ensuring stable business model.
- We have had a track record of compliance of various rules and regulations prescribed by SEBI, Exchanges, RBI and other regulators.
- We are a technology-oriented company, having realized very much ahead of time that the way forward is to use the new technology innovations is the way to go.

Experienced management team

Our management team, as mentioned below, comprises industry executives with a significant number of years of experience in the fields of Advisory, Consultancy, Fund Mobilization and Financial Service.

Our management's expertise with and knowledge of the Financial Services industry allow us to constantly evolve and innovate in this space.

Name	Designation	Experience
Mr. Asit Chimanlal Mehta	Non-Executive - Non-Independent Director-Chairperson	Mr. Asit C. Mehta is a Seasoned Capital Market Professional. He is a qualified Chartered Accountant (1984) and holds a Post Graduate Diploma in Securities Law from Government Law College, Mumbai (2004-05). He started his career in the corporate finance markets in the year 1983 by associating with leading Government Security brokers of those times. He was among the initial participants in the Units 1964 and other innovative financial instruments. His efforts which started in the year 1987 has seen the company (subsequently incorporated) as one of the leading brokers. He has extensive experience in Portfolio Management, Investment Banking and Financial Services industry in general as a directly operating officer as well as at Board level. He continues to be a key management person and Board member of all his group companies offering diverse financial services to their customers.
Mrs. Deena Asit Mehta	Non-Executive - Non-Independent Director	Mrs. Deena Mehta is a qualified Charted Accounted, has a post graduate diploma in Securities Law and has done her Master of Management Studies, specializing in finance. Mrs. Mehta has been associated with several reforms in the

		Capital Market including setting up of BOLT system at BSE, setting up Central Depository Service, Streaming of Clearing Corporation BOISL. She has been on BSE Board for 9 years and served as Vice President and President of the Exchange. Mrs. Mehta has served on several SEBI committees since SEBI's inception and contributed to various reforms undertaken by SEBI. Mrs. Mehta is a founder member of SAFE, Association of Stock Exchanges of SAARC countries. Mrs. Mehta is well known for her views on the reform of the capital markets.
Mr. Pundarik Sanyal	Non-Executive - Independent Director	Mr. Pundarik Sanyal has over 34 years of experience in various Banking industries. He has been the Top executive Grade VII - General Manager since 2001. Mr. Sanyal, has 6 years of consistent high performance as MD on deputation to a lending NBFC & holding Company for a Primary dealer in G-Sec, Equity Broking (since sold to Standard Chartered Bank) & Commodity Broking
Mrs. Madhu Lunawat	Non-Executive - Non-Independent Director	Ms. Lunawat is a rank-holder Chartered Accountant and a CFA Level II (AIMR, USA). • Ms. Lunawat has over two decades of experience spanning across investment management, corporate finance, asset reconstruction, M&A, due diligence and treasury operations. • She is the Co-founder of Pantomath Group, CorpGini Innovations Pvt Ltd and Lunawat Ventures. Prior to founding Pantomath, she worked with leading corporates, viz., Infosys, ASREC and Edelweiss. Served as the CFO at Edelweiss ARC, immediately prior to founding Pantomath.
Mr. Ambareesh Bhaskar Baliga	Non-Executive - Independent Director	Mr. Ambareesh Baliga is experienced in different facets of the market for over last 35 years. Mr. Ambareesh has been acknowledged for his acumen and understanding of the stock markets. Mr. Ambareesh, a Cost Accountant, began his financial career with Price Waterhouse, Kolkata. Since then he has worked with reputed firms like Kotak, Karvy, Way2Wealth and Edelweiss and has headed businesses in segments such as Wealth Management, Fund Management, Corporate Advisory, Investment Banking, Retail Finance and Stock Broking. Mr. Ambareesh has been an influential voice regarding Stock Markets and his opinions are carried by leading magazines and newspapers including international publications. He is a regular author for articles in Outlook Business and Business Standard. He has been a regular guest on channels like CNBC, CNBC Awaaz, NDTV and Zee Business.
Mr Yagnesh P Parikh	Non-Executive - Independent Director	Mr. Yagnesh P Parikh is having over 40+ years of experience in banking and securities market. C level Business Technology leader (CxO) for 20+ years. Have been involved in conceptualizing developing and maintaining the largest online trading platform. C level Business Technology leader, rich experience in development and implementation of technology strategies and initiatives for bank and financial services (capital market). Architected and delivered technology solutions aligning business goals with efficiency and flexibility to differentiate competitive advantage. Longest tenor of 17 years with ICICI securities in planning and implementing technical architecture required for their

		online trading and institutional Trading. Apart from ICICI securities, he worked with ICICI bank for 9 years,State Bank of India for over 13 years in Technology space

Corporate Structure

The Company is engaged in the business of renting of immovable properties. The Company has classified the aforesaid business as an 'investing activities'. The Company is also rendering 'Advisory and Consultancy Services'.

Details of the services provided by our Subsidiary Companies are as follows:

Sr. No.	Name of Subsidiaries	Activity	Relation
1.	Asit C Mehta Investment Interrmediates Limited	• Financial and insurance Services & • Financial Advisory, brokerage and Consultancy Services	Subsidiary
2.	Edgytal Fintech Investment Services Limited	• Information and communication • Other information & communication service activities	Subsidiary

We work under the guidance of our Non- Executive Directors, Mr. Asit Chimanlal Mehta and Mrs. Deena Asit Mehta, who have more than 40 years of experience each in the Financial Service Industry and been associated with our Company since 1985 and are our founding members. They have been instrumental in evolving our business operations, growth and future prospects. The company is also advised by our Directors Mrs. Madhu Lunawat and Independent Director Mr. Ambreesh Baliga.

Our operations

Our consolidated revenues from operations for Fiscals 2023, 2022 and 2021 were ₹ 2,920.67 lacs, ₹ 3,453.62 lacs and ₹ 2,949.53 lacs, respectively. Our consolidated EBITDA for the Fiscals 2023, 2022 and 2021 were ₹ 196.77 lacs, ₹ 1,119.06 lacs and ₹ 1,204.84 lacs, respectively. Our consolidated profit after tax for Fiscals 2023, 2022 and 2021 were ₹ -931.25 lacs, ₹ 146.33 lacs and ₹ 225.69 lacs, respectively.

For further details, please refer to the section titled *"**Consolidated Financial Statements**"* on page 97 this Draft Letter of Offer.

Our Business Strategy

Our business purpose is to provide appropriate financial products to every Indian entity.

The first strategy is to provide a wide variety of investment products to our customers. These include equity investments through direct secondary market investment and also through IPO. Mutual fund investments, fixed income products such as Company fixed deposits, T Bills. Alternate Investment fund investments and investments in gold through SGB and Digital gold.

The second strategy is in reach, company has a footprint throughout the country though sub-broker network, Digital reach through our platforms invetstmentz.

We believe that investors need advice and guidance for investments, this is provided through Our PMS and Research Analyst services such as research reports and rice alerts.

Lastly, we believe in providing low-cost high value service to our investors and customer care is our highest priority. As a result of this there are zero bad debts in our company for last 40 years. Only 7 complaints have been registered against us in last 5 years. We have just 1 arbitration against us in past 38 years and that too just 10,000 rupees. This is as result of our strong processes and stringent compliance adherence as well as high sensitivity to customer service.

DETAILS OF OUR MAJOR BUSINESS ACTIVITIES

The company provides various services through its subsidiaries ACMIIL and Edgytal

Trade Execution Services

The company, through its membership of BSE and NSE offers trade execution on the cash and derivatives segment of both the exchanges. The exchange platform is also used for subscribing to Initial Public offers (IPO), Offer for Sale (OFS), Offer to Buy (OTB) and Sovereign Gold Bonds (SGB) and Treasury Bills (T BILLS).

Depository Services

The company provides depository services to investors as a depository participant. These services include Demat and Remat of shares, creation of pledge and unpledged and Transfer as a result of buy sell and transmissions.

Advisory services

These services include Portfolio Advisory services (PMS) investment through I Baskets (Investment Baskets) and Research Advisory through research reports and price alerts.

Institutional Business

This service includes providing research and execution services to Institutional investors such as Mutual funds, insurance companies, AIF, family offices, FII and such other institutions. These services are provided through automated trading platforms such as Bloomberg and Direct access platforms of exchanges.

Distribution Services

This service includes distribution of third-party products such as Mutual funds, Sovereign gold bonds, AIFs and such other structured products. The company earns a commission on the value of distributed products.

All the company products are make available through the company's digital platform Investmentz.

MARKETING AND SALES

We have dedicated marketing teams that build and strengthen our brand awareness across all demographic segments in India and among non-resident Indians throughout the world. The digital space is rapidly growing and with increase in competition, marketing plays a crucial role in creating top of mind recall amongst readers and clients to keep the business healthy.

1. Marketing Strategies

- Focus on digital marketing - As now the majority of our TG has become Tech savvy and are now online. We would be focusing on digital channels like search engine optimization (SEO), social media marketing, and content marketing. The content would not only include sales but educational content as well, this will also help new investors to learn and gain confidence, which will entail not only in long term mind share, brand building but also propagation of investing as a behavior.
- Promotion for Investing habits and ways on how a non-investor can start investing, a semi learned investor can also grow his/her portfolio.
- Brand promotion - As ACMIIL is not just a stockbroker but a Financial Super mart, with a legacy of 4 Decades and trust we have kept will be propagated through various Digital and non-digital channels like merchandise, sponsorships, events and community building activities.
- Client referrals - Nothing works best than Word of Mouth (WOM). With best-in-class products and optimal services we would reach out to our own customers to help us with testimonials and referrals.
- Conducting Investors Awareness Program IAPs and seminars for new and old investors
- Keep the innovation on with delivering better user experience resulting in a high NPS score which in turn helps in higher rankings.
- Employee Branding - Our employees become our own brand ambassadors by improving our work culture and promoting the same, making it a brag proposition for them.
- Offer value-added services. In addition to traditional stock broking services, we'll be providing value-added services such as investment recommendations by qualified staff, research reports and innovative Investment

products. This will make it a more attractive proposition for potential customers.
- Developing partner networks and improving their quality by educating them and helping them in BTL activities at their levels.

2. Sales Strategy

- Digital Sales methods using organic and inorganic means to grow the lead funnel. The channels like Social Media and affiliates etc
- Thought Leadership positioning - By regular PR activities and publishing research and articles we would acquire good mind share resulting in organic lead building
- Use of Technology - We're already in process in incorporating paperless and quick onboarding with that we will be incorporating CRM for CLCM
- Empowering customer - We would nudge and educate customer on how various products can fulfil their various wealth needs thus improving cross selling with them
- Using Lead generation methods - Using online (Organic and inorganic) plus offline methods to generate leads
- Helping Channel Partners - Being a traditional broking house we would propagate and help our channel partners build their sales funnel by not only educating them on best practices, but also equipping them with technology to do so

HUMAN RESOURCES

The business of the group is done through the subsidiaries of the Company. Asit C Mehta Investment Interrmediates Ltd has membership of NSE, BSE for Cash, Derivatives and Currency segments. Company has a membership of Central Depository services as a Depository Participant. Company is also registered to provide PMS and Research analyst services. The Company is also registered to provide Merchant banking services, which it is in the process of surrendering. Another company EDGYTAL Fintech Investment Services Pvt Ltd., is a startup and provides various software related services. The group staff strength is 200 employees, to carry out the operational, and other aspects pertaining to the said activities. There is a Key Management person in ACMFSL who looks after Accounts and finance of the company.

INSURANCE

Our Company has obtained certain policies such as Commercial Package Policy (covering fire and allied perils, burglary & theft, money insurance, machinery breakdown, electronic equipment's insurance, public liability & portable equipment's cover) & Group Mediclaim, Group Term Life Policies for Employees. These policies insure our furniture, fittings, electrical installation, office equipment, stationery, meter wires, cables, meeting rooms, building superstructure, any other office contents from earthquake, fire, shock, terrorism, etc. Our Company also has Vehicle Insurance Policies with regards to the Vehicles owned by our Company.

INTELLECTUAL PROPERTY RIGHTS

We do not have any Trademarks or Intellectual property rights registered in our name.

The following trademarks are registered in the name of our subsidiaries:

Name of the Company	Class	Trademark No.	Trademark	Renewal Due Date
Asit C. Mehta Investment Intermediates Ltd.	36	1921247	INVESTMENTZ	11/02/2020
Asit C. Mehta Investment Intermediates Ltd.	36	1921248	INVESTMENTZ with Logo	11/02/2020
Asit C. Mehta Investment	36	1949422	INVESTOR FIRST	13/04/2020

Intermediates Ltd.				
Asit C. Mehta Investment Intermediates Ltd.	36	1949423	LOGO WITH INVESTOR FIRST	13/04/2020
Asit C. Mehta Investment Intermediates Ltd.	9	905760	ALLALERTZ	24/02/2020
Asit C. Mehta Investment Intermediates Ltd.	16	905761	ALLALERTZ	24/02/2020
Asit C. Mehta Investment Intermediates Ltd.	9	927698	YOUR PERSONAL STOCK BROKER	26/05/2020
Asit C. Mehta Investment Intermediates Ltd.	16	927701	YOUR PERSONAL STOCK BROKER	26/05/2020

We have also made applications for the registration of certain trademarks for our subsidiaries the details of which are given below:

Sr. No.	**Trademark**	**Type**	**Application Number**	**Class**	**Status**
1	Chhota Nivesh Gold	DEVICE	4792560	36	Pending approval
2	Edgytal	DEVICE	6058599	36	Pending approval
3	I Basket	DEVICE	6058600	36	Pending approval

OUR IMMOVABLE PROPERTIES

We carry out business operations from the following properties:

Sr. No.	**Details of the Deed/Agreement**	**Particulars of the property, description and area**	**Consideration**	**Usage**
1	The property was acquired around 1994. The complete List of chain documents and is described in various Deeds of declaration. The latest one is the registered amendment to declaration dated 05.03.2021	Pantomath Nucleus House, Saki Vihar Road Andheri east. It is a standalone commercial building of appx 37500 sq ft carpet area	The consideration was paid in various tranches	Primarily used for housing various group companies and partly rented out

OUR MANAGEMENT

BOARD OF DIRECTORS

Under the Articles of Association, our Company is required to have not less than 3 directors and not more than 15 directors, subject to the applicable provisions of the Companies Act, 2013. As on the date of this Draft Letter of Offer, we have 6 (Six) directors on our Board comprising of 3 (Three) Independent Director, 3(Three) Non-Executive Non -Independent Directors, including 2 (Two Women Directors).

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

Sr. Nos	Name, designation, current term, period of directorship, occupation, date of birth, DIN and address	Age (in years)	Other Directorships
1.	**Name:** Mr. Asit C. Mehta **Designation:** Non-Executive & Non-Independent Director **Current term:** Liable to retire by rotation **Period of Directorship:** Director since 01/04/2001 **Occupation:** Service **Date of Birth:** August 24, 1959 **DIN:** 00169048 **Address:** 17/A, Abhilasha Bldg., August Kranti Marg, Mumbai - 400036 **Qualifications:** • Graduate in Commerce from Bombay University • Passed the final examination conducted by The Institute of Chartered Accountants of India. · • Diploma in Securities Law – from Mumbai Law Collage **Experience: 40 years**	64 years	**List of Companies:** • The Investment Trust of India Limited • Asit C Mehta Investment Interrmediates Limited • Asit C Mehta Advisors Limited (Formerly known as Asit C Mehta Commodity Services Limited)
2.	**Name:** Mrs Deena Mehta **Designation:** Non-Executive & Non-Independent Director **Current term:** Liable to retire by rotation. **Period of Directorship:** Director since 25/03/1991 **Occupation:** Service **Date of Birth:** February 18, 1961 **DIN:** 00168992	62 years	**List of Companies:** • Fino Payments Bank Limited • Nmims Business School Alumni Association • Reliance Asset Reconstruction Company Limited • Asit C Mehta Investment Interrmediates Limited • Gandhar Oil Refinery (India) Limited

	Address: 17/A, Abhilasha Bldg, August Kranti Marg, Nana Chowk, Gaumdevi, Mumbai - 400036 **Qualifications:** • Graduate in Commerce from Bombay University • Passed the final examination conducted by The Institute of Chartered Accountants of India. • Management Graduate from NMIMS • Diploma in Securities Law – from Mumbai Law Collage **Experience: 40 years**		
3.	**Name:** Mr. Pundarik Sanyal **Designation:** Non-Executive & Independent Director **Current term:** 5 (five) years with effect from 27/09/2019 upto 25/09/2024 **Period of Directorship:** Director since 31/07/2014 **Occupation:** Business **Date of Birth:** January 28, 1950 **DIN:** 01773295 **Address:** B-2/803 Kumar Parisar, Kothrud, Pune - 411 038 **Qualifications:** • B.Sc. (Textile) from Kolkata • Higher Secondary Examination, Board of Secondary Education, West Bengal. **Experience:** 34 Years	73 years	**List of Companies:** • Orient Advanced Materials Private Limited • Ashapra Perfoclay Limited • Ashapura International Limited • Ashapura Minechem Limited
4.	**Name:** Mrs. Madhu Lunawat **Designation:** Non-Executive & Non-Independent Director **Current term:** Liable to retire by rotation. **Period of Directorship:** Director since 26/12/2022 **Occupation:** Business **Date of Birth:** January 11, 1983 **DIN:** 06670573 **Address:** 16th Floor B 1603, Rustamjee Seasons MIG Chs 4 ltd, Gandhi Nagar, Bandra	40 years	**List of Companies:** • Pantomath Capital Advisors Private Limited • Pantomath Investor Awareness And CSR Foundation • Pantomath Finance Private Limited • Pantomath Asset Management Holdings Private Limited • Pantomath Capital Management Private Limited • Expressway Adda Private Limited • Corpgini Innovations Private Limited • Pantomath Fund Managers Private Limited • Silver Consumer Electricals Private Limited • Fundbezzie Private Limited

	East, Mumbai – 400 051 **Qualifications:** • Graduate in Commerce from Bombay University • Passed the final examination conducted by The Institute of Chartered Accountants of India. **Experience: 20 years**		• Cliqtrade Stockbrokers Private Limited • Pantomath Start-Up Fund Management Private Limited • Veetov Motors Private Limited • Pantomath Global Financial Services (IFSC) Private Limited
5.	**Name:** Mr. Ambareesh Bhaskar Baliga **Designation:** Non-Executive & Independent Director **Current term:** 5 (five) years with effect from 22/03/2023 upto 20/08/2028 **Period of Directorship:** Director since 26/12/2022 **Occupation:** Service **Date of Birth:** July 27, 1964 **DIN:** 07004422 **Address:** 901 Anant, Plot 88(2), Sector 29, Vashi, Navi Mumbai, 400 703 **Qualifications:** • Graduate in Commerce from Calcutta University • Passed the professional examination conducted by The Institute of Cost & Works Accountants of India. · • "Leadership Skills for Top Management" at ISB is among the notable courses attended. **Experience:** 35 Years	59 years	**List of Company:** • Pantomath Capital Advisors Private Limited
6.	**Name:** Mr. Yagnesh P. Parikh **Designation:** Non-Executive & Independent Director **Current term:** 5 (five) years with effect from 09/11/2023 upto 08/11/2028 **Period of Directorship:** Director since 09/11/2023 **Occupation:** Professional **Date of Birth:** March 08, 1961 **DIN:** 09762673 **Address:** B/902, Akruti Nova, Saiwadi, N S Phadke Marg, Opp Telly Galli, Mumbai, Maharashtra - 400069		

	Qualifications: • Graduate in Commerce • Bachelor of Science – Computer Science **Experience:** 40+ Years		

BRIEF PROFILE OF OUR DIRECTORS

Asit Chimanlal Mehta is a Non-Executive & Non – Independent Director and Chairman of our Company. He holds a bachelor's degree Commerce from the University of Bombay and a post-graduate diploma course in Securities Law from the Government Law Collage, Mumbai. He is an Associate Member of The Institute of Chartered Accountants of India since January 1984. He has over 40 years of experience in the financial services industry. Previously, he was associated with a stockbroker M/s V B Desai for 3 years. He was appointed to our Board with effect from 01/04/2001.

Deena Asit Mehta is a Non-Executive & Non – Independent Director of our Board. She holds a bachelor's degree in commerce from the University of Bombay and a post-graduate diploma course in Securities Law from the Government Law Collage, Mumbai. She is an Associate Member of The Institute of Chartered Accountants of India since January 1984.She has also obtained degree in Management studies from NMIMS Mumbai in 1984. She has over 40 years of experience in financial services. Previously, she worked with Crompton Greaves for 1.5 years. She was appointed on our Board with effect from 25/03/1991.

Pundarik Sanyal is a Non-Executive & Independent Director of Our Board. Mr. Pundarik Sanyal has over 34 years of experience in various Banking industries. He has been the Top executive Grade VII - General Manager since 2001. Mr. Sanyal, has 6 years of consistent high performance as MD on deputation to a lending NBFC & holding Company for a Primary dealer in G-Sec, Equity Broking (since sold to Standard Chartered Bank) & Commodity Broking

Madhu Lunawat is a Non-Executive & Non – Independent Director of our Board. She is a rank-holder Chartered Accountant and a CFA Level II (AIMR, USA). She has over two decades of experience spanning across investment management, corporate finance, asset reconstruction, M&A, due diligence and treasury operations. She is the Co-founder of Pantomath Group, CorpGini Innovations Private Limited and Lunawat Ventures. Prior to founding Pantomath, she worked with leading corporates, viz., Infosys, ASREC and Edelweiss. Served as the CFO at Edelweiss ARC, immediately prior to founding Pantomath. She was appointed on our Board with effect from 26/12/2022.

Ambareesh Bhaskar Baliga is a Non-Executive & Independent Director of our Board. Mr. Ambareesh Baliga is experienced in different facets of the market for over the last 35 years. Mr. Ambareesh has been acknowledged for his acumen and understanding of the stock markets. Mr. Ambareesh, a Cost Accountant, began his financial career with Price Waterhouse, Kolkata. Since then, he has worked with reputed firms like the Kotak, Karvy, Way2Wealth and Edelweiss and has headed businesses in segments such as Wealth Management, Fund Management, Corporate Advisory, Investment Banking, Retail Finance and Stock Broking. Mr. Ambareesh has been an influential voice regarding Stock Markets and his opinions are carried by leading magazines and newspapers including international publications. He is a regular author for articles in Outlook Business and Business Standard. He has been a regular guest on channels like CNBC, CNBC Awaaz, NDTV and Zee Business. He was appointed on our Board with effect from 26/12/2022.

Yagnesh P Parikh ; Has recently joined the Board as a non executive & Independent Director.Mr Yagnesh Parikh has hands on experinace of handling technology endevours of Leading industry players such as ICICI securities and also allied sector of banks like ICICI bank and SBI. His experience will go a long way in helping us achieve our technology mile stones.

CONFIRMATIONS

As on the date of this Draft Letter of Offer:

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

2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the Stock Exchange in the five years preceding the date of filing of this Draft Letter of Offer, during the term of his/ her directorship in such company.

3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.

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

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

DETAILS OF KEY MANAGERIAL PERSONNEL

Set forth below are the details of our Key Managerial Personnel of our Company, as on the date of filing of this Draft Letter of Offer.

Mr. Binoy Kantilal Dharod, aged 36 years, is the Chief Financial Officer of our Company. He holds a Master of Commerce degree from the University of Mumbai since 2009 and is as an associate member of the Institute of Chartered Accountants of India since the year 2020. He has been associated with our Company since August 05, 2022 in the capacity of Chief Financial Officer. In the past, he has served in Khandelwal Jain & Company, Chartered Accountant as Manager.

Mr Jaideep Vaidya, Aged 57, is the group Compliance Officer and in-charge of legal matters. He is the designated compliance officer for all the business activities of the company's material subsidiary, Asit C. Mehta Investment Interrmediates Limited (ACMIIL). He is also temporarily looking after the Company's secretarial function in view of recent resignation of Ms. Khusboo Hanswal, the company's earlier company secretary. Mr Vaidya has a vast experience in the capital markets for the past 30 years including a almost 14 year with BSE Limited in various departments

Mr. Pankaj Jeevanlal Parmar, aged 48 years, is the Manager of our Company. He holds a bachelor's degree in Commerce from University of Mumbai and is as an associate member of the Institute of Chartered Accountants of India. He has been associated with our Company since 2002 in the capacity of Manager. In the past, he has served in Asit C Mehta Investment Interrmediates Limited as Chief Financial Officer.

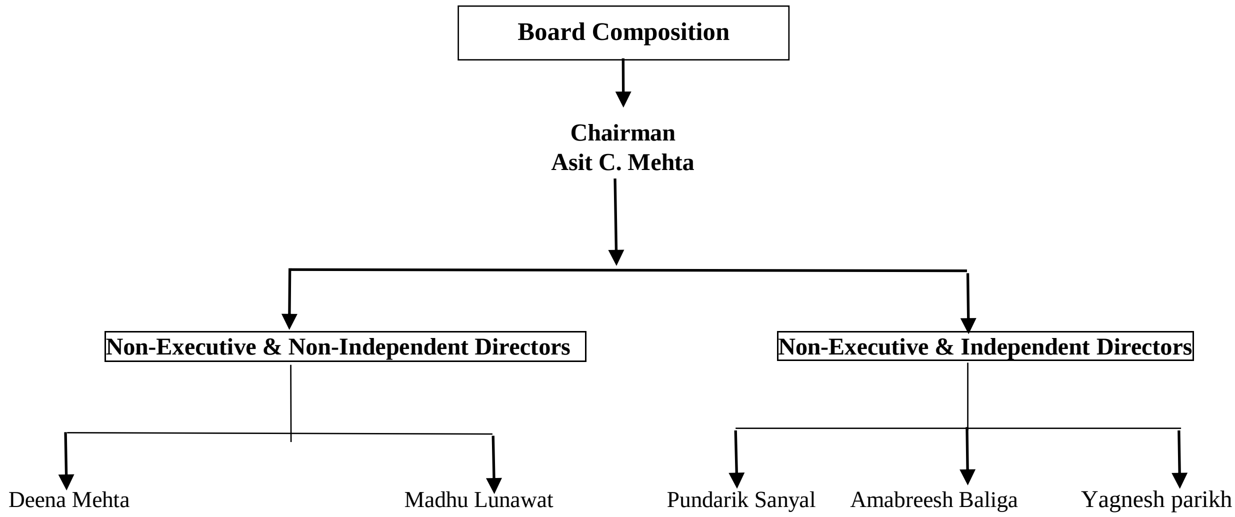
Status of each key managerial personnel, as a permanent employee or otherwise

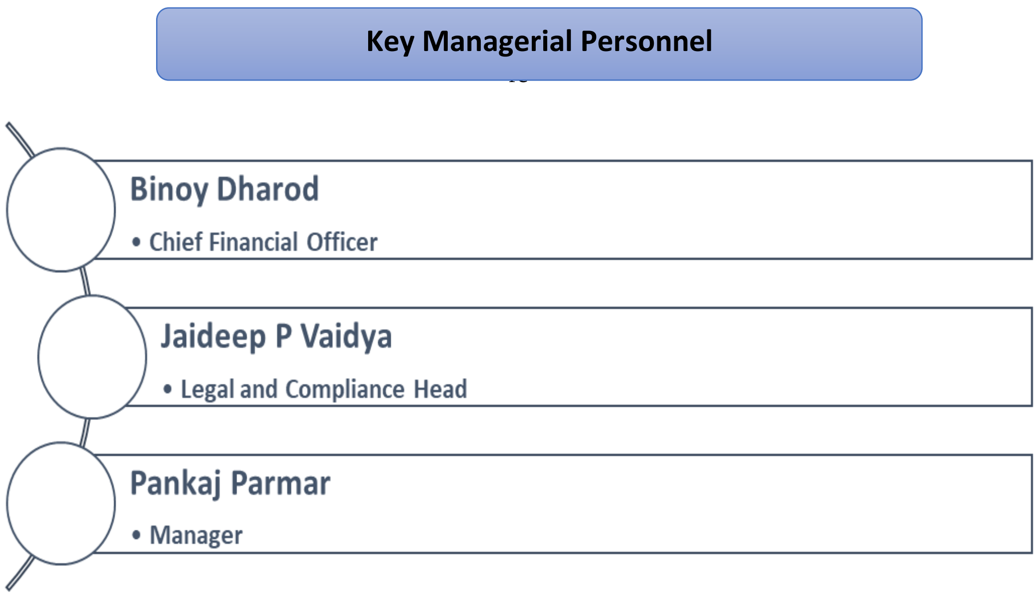
All the Key Managerial Personnel of our Company are permanent employees.

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

None of the Key Managerial Personnel are related in any capacity with the other Key Managerial Personnel of the Company.

MANAGEMENT ORGANISATION STRUCTURE





SECTION V: FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

MSKA & Associates
Chartered Accountants

HO
602, Floor 6, Raheja Titanium
Western Express Highway, Geetanjali
Railway Colony, Ram Nagar, Goregaon (E)
Mumbai 400063, INDIA
Tel: +91 22 6238 0519

INDEPENDENT AUDITOR'S REPORT

To the Members of Asit C Mehta Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Asit C Mehta Financial Services Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 ("Ind AS")and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated loss and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and on consideration of audit reports of other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 59 in the standalone financial statements regarding the approval of Composite Scheme of Arrangement (the "Scheme") between the Company and its wholly owned subsidiary namely Nucleus IT Enabled Services Limited (the "transferor company"). Pursuant to the Scheme being approved by the Hon'ble National Company Law Tribunal vide its order dated January 20, 2023, all the assets, liabilities, reserves and surplus of the transferor company have been transferred to the Company from the appointed date of March 31, 2021, at carrying values as on that date. The Company has given effect to the scheme in the standalone financial statements for the year ended March 31, 2023.

However, as per the requirements of Appendix C to Ind AS 103 "Business Combination", the financial information in the standalone financial statements in respect of prior periods have been restated as if the common control business combination had occurred from the beginning of the preceding period in the standalone financial statements. Accordingly, the comparatives for the year ended March 31, 2022, have been restated after recognising the effect of the merger as stated above.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

MSKA & ASSOCIATES Chartered Accountants

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report but does not include the consolidated financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors / Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

MSKA & ASSOCIATES * Chartered Accountants

Head Office: 602, Floor 6, Raheja Titanium, Western Express Highway, Geetanjali Railway Colony, Ram Nagar, Goregaon (E), Mumbai 400063, INDIA, Tel: +91 22 6238 0519
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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of Rs.10,180.00 lakhs as at March 31, 2023, total revenues of Rs.3,284.93 lakhs and net cash out flows amounting to Rs. 104.57 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

The consolidated financial statements of the Company for the year ended March 31, 2023, were audited by another auditor whose report dated May 27, 2022 expressed an unmodified opinion on those statements. Our opinion is not modified in respect of this matter.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies, incorporated in India are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 36 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii. There were no no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

iv.

(1) Under Rule 11(e)(i)

The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 42 to the consolidated financial statements, 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 Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

MSKA & ASSOCIATES Chartered Accountants

(2) Under Rule 11(e)(ii)

The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 42 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Under Rule 11(e)(iii)

Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company and its subsidiary companies only w.e.f. April 1, 2023, reporting under this clause is not applicable.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

3. According to the information and explanations given to us, the details of Qualifications/adverse remarks made by the respective auditors of the subsidiaries, associates in the Companies (Auditor's Report) Order 2020 (CARO) Reports issued till the date of our audit report for the companies included in the consolidated financial statements are as follows:

Sr. No	Name of the Company	CIN	Type of Company (Subsidiary)	Clause number of the CARO Report which is qualified or Adverse
1	Asit C Mehta Investment Intermediates Limited	U65990MH1993PLC075388	Subsidiary	XX (a)
2	Edgytal Fintech Investment Services Private Limited	U74110MH2015PTC265441	Subsidiary	i (b)

Further, as per information and explanation given to us by the Holding Company, the following companies included in the consolidated financial statements for the year ended March 31, 2023 and covered under that Act, but for which the respective reports under Section 143(11) of the Act have not yet issued by the respective statutory auditors.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQWD3371

MSKA & ASSOCIATES Chartered Accountants

Mumbai
May 29, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ASIT C MEHTA FINANCIAL SERVICES LIMITED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Asit C Mehta Financial Services Limited on the Consolidated Financial Statements for the year ended March 31, 2023]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls reference to consolidated financial statements of Asit C Mehta Financial Services Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal financial control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

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

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812
UDIN: 23117812BGXQWD3371

Mumbai
May 29, 2023

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	As on March 31, 2023	As on March 31, 2022
I. ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3A	58,105	60,975
(b) Capital Work-In-Progress	3B	1,11,988	1,00,000
(c) Investment Property and Right of Use Assets	3C	4,59,659	4,70,996
(d) Goodwill	3D	32,260	32,260
(e) Other Intangible Assets	3E	4,725	3,858
(f) Financial Assets			
(i) Investments	4	1,03,434	73,715
(ii) Trade Receivables	5	18,283	17,192
(iii) Other Financial Assets	6	14,803	17,264
(g) Non Current Tax Assets (net)	7	26,740	22,986
(h)Deferred Tax Assets (net)	8	14,520	-
(i) Other Non-Current Assets	9	350	5,848
Total Non Current Assets		**8,44,867**	**8,05,094**
(2) Current Assets			
(a) Financial Assets			
(i) Trade Receivables	10	63,338	54,476
(ii) Cash and Cash Equivalents	11	1,10,558	1,21,015
(iii) Bank Balance Other Than (ii) Above	12	2,53,806	1,41,121
(iv) Loans	13	13,531	2,24,191
(v) Other Financial Assets	14	2,99,221	3,50,661
(b) Other Current Assets	15	7,597	6,804
Total Current Assets		**7,48,051**	**8,98,268**
Total Assets		**15,92,918**	**17,03,362**
II. EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	49,526	48,474
(b) Other Equity	17	(83,862)	10,121
Equity Attributable to Owners		**(34,336)**	**58,595**
(c) Non Controlling Interest		22,593	41,951
Total Equity		**(11,743)**	**1,00,546**
Liabilities			
(1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	5,82,978	5,38,995
(ii) Lease Liabilities	19	68	225
(iii) Other Financial Liabilities	20	4,371	-
(b) Provisions	21	4,264	2,386
(c) Deferred Tax Liabilities (net)	22	-	3,748
(d) Other Non-Current Liabilities	23	1,184	-
Total Non- Current Liabilities		**5,92,865**	**5,45,354**
(2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	24	5,79,621	5,27,168
(ia) Lease Liabilities	25	157	143
(ii) Trade Payables			
- dues to micro enterprises and small enterprises; and		-	-
- dues to creditors other than micro enterprises and small enterprises	26	3,89,812	4,87,563
(iii) Other Financial Liabilities	27	25,319	29,694
(b) Other Current Liabilities	28	14,711	12,049
(c) Provisions	29	2,176	845
Total Current Liabilities		**10,11,796**	**10,57,462**
Total Liabilities		**16,04,661**	**16,02,816**
Total Equity and Liabilities		**15,92,918**	**17,03,362**
See accompanying Notes to the Consolidated Financial Statements	1 to 62		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number:105047W

Swapnil Kale
Partner
Membership Number: 117812

Mumbai
May 29, 2023.

For and on behalf of the Board of Directors

Asit C Mehta
Director
DIN: 00169048

Mumbai
May 29, 2023.

Kirit H Vora
Director
DIN: 00168907

Mumbai
May 29, 2023.

Binoy Dharod
Chief Financial Officer

Mumbai
May 29, 2023.

Khushboo Hanswal
Company Secretary

Mumbai
May 29, 2023.

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in '000)

Particulars	Note No.	For the period ended March 31, 2023	For the period ended March 31, 2022
INCOME			
Revenue From Operations	30	2,92,067	3,45,362
Other Income	31	46,257	70,046
Total Income		3,38,324	4,15,408
EXPENSES			
Employee Benefits Expense	32	1,14,445	79,297
Finance Costs	33	1,01,715	79,272
Net Loss on Fair Value Changes	34	5,760	-
Depreciation and Amortisation Expense	3A to 3E	15,571	16,749
Other Expenses	35	2,04,202	2,24,205
Total Expenses		4,41,693	3,99,523
Profit / (Loss) Before Tax		(1,03,369)	15,885
Tax Expense:			
- Current Tax		-	-
- Deferred Tax		(11,466)	7,186
- MAT Credit Entitlement Written off / Utilised		65	1,039
- Prior Year Tax Adjustment		1,157	(20)
Total Tax Expense		(10,244)	8,205
Profit from Discontinued Operations (refer note 49)		-	6,953
Profit / (Loss) For The Year After Tax		(93,125)	14,633
Other Comprehensive Income			
i) Items that will not be reclassified to profit or loss:			
a) Re-Measurement Gains/ (Losses) on Defined Benefit Plans		(1,762)	375
b) Effect of Measuring Equity Instruments on Fair Value		(25,252)	4,151
c) income Tax on (a) and (b)		6,802	(1,140)
Other Comprehensive Income For The Year (Net of tax)		(20,212)	3,386
Total Comprehensive Income For The Year (Net of tax)		(1,13,337)	18,019
Net Profit Attributable to:			
a) Owners of the Company		(89,193)	10,824
b) Non Controlling Interest		(3,932)	3,809
Other Comprehensive Income Attributable to:			
a) Owners of the Company		(18,906)	3,223
b) Non Controlling Interest		(1,307)	163
Total Comprehensive Income Attributable to:			
a) Owners of the Company		(1,08,098)	14,047
b) Non Controlling Interest		(5,239)	3,972
Earnings per Equity Share: (Share Nominal value of ₹ 10 per Share)	38		
Basic		(19.06)	3.03
Diluted		(19.06)	3.03
See accompanying Notes to the Consolidated Financial Statements	1 to 62		

The accompanying notes are an integral part of the Consolidated Financial Statements.

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812

MSKA & ASSOCIATES Chartered Accountants

Mumbai
May 29, 2023.

For and on behalf of the Board of Directors

Asit C Mehta Director DIN: 00169048 Mumbai May 29, 2023.	**Kirit H Vora** Director DIN: 00168907 Mumbai May 29, 2023.
Binoy Dharod Chief Financial Officer Mumbai May 29, 2023.	**Khushboo Hanswal** Company Secretary Mumbai May 29, 2023.

Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C. MEHTA FINANCIAL SERVICES LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in '000)

	Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit / (Loss) Before Tax	(1,03,369)	15,885
	Add / (Less):- Adjustments for :		
	Depreciation and Amortisation	15,571	16,749
	Interest Income	(20,277)	(21,277)
	Dividend Income	(71)	(0)
	Profit / Loss on Sale on Investment & Treasury Shares	(10,303)	(1,068)
	Provision for Bad Debts	1,317	1,395
	Finance Costs	1,01,715	79,272
	Net Loss on Fair Value Changes	5,760	
	Profit on Sale of Investment Property	-	(8,961)
	Profit from Discontinued Operation (Disclosed separately)	-	6,953
	Gain on Sale of Fixed Assets	(26)	-
	Fixed Assets Written Off	552	-
	Operating Profit Before Changes in Working Capital	**(9,131)**	**88,948**
	Adjustment for Changes in Working Capital		
	(Increase) / Decrease in Trade Receivables	(11,270)	11,422
	(Increase) / Decrease in Other Financial Assets	53,902	(30,268)
	(Increase) / Decrease in Other Current Assets	(1,054)	4,375
	Decrease in Online Business Assets	-	1,00,000
	(Increase) / Decrease in Financial Assets Loan	8,201	(1,49,598)
	(Decrease) in Trade Payables,Other Current Liabilities and Short-Term Provisions	(93,906)	(49,445)
	(Decrease) in Security Deposit	-	(3,000)
	(Decrease) in Other Financial Liability	(4)	(5,148)
	Increase / (Decrease) in Long Term Provision and Other Non-Current Liabilities	1,300	(448)
	Cash Used in Operations	**(51,962)**	**(33,162)**
	Less: Direct taxes refund/(paid) [net]	(4,912)	(241)
	Net Cash Flow Used in Operating Activities	**(56,874)**	**(33,403)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of Property, Plant and Equipment (Net)	(14,745)	(1,12,588)
	Acquisition of Right of Use Asset	-	(5)
	Sales of Investment Property	-	59,575
	Sale of Investment of Securities in ACMIIL	-	14,301
	Inter Corporate Loan Given (net)	2,02,497	-
	Purchase / Acquisition of Investments	(85,193)	(2,58,210)
	Interest Received	19,956	21,277
	Placement of Bank Fixed deposits (net)	(1,12,686)	45,889
	Dividend Received	71	0
	Sale of Investment (net)	25,979	2,067
	Net Cash Flow from / (Used in)Investing Activities	**35,879**	**(2,27,694)**
C	**CASH FLOW FROM FINANCING ACTIVITY**		
	Interest and Other Finance Cost paid	(1,01,715)	(79,272)
	Proceeds of Sale of Treasury Shares	15,816	138
	Inter Corporate Loans / Loan from Directors (net)	96,206	3,62,461
	Repayment on Term Loan	(4,269)	-
	Proceeds from Short Term Borrowing	4,500	-
	Net Cash Flow from Financing Activities	**10,538**	**2,83,327**
	NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A) + (B) + (C)	**(10,457)**	**22,230**
	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**1,21,015**	**98,785**
	CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**1,10,558**	**1,21,015**
	COMPONENTS OF CASH AND CASH EQUIVALENTS :		
	Cash on Hand	93	160
	Balances With Scheduled Banks in Current Accounts	1,10,465	1,20,855
	TOTAL	**1,10,558**	**1,21,015**

Notes :

1. Cash Flow Statement has been prepared under the indirect method as set out in Ind AS 7 specified under section 133 of the Companies Act,2013 read with Rule 7 of the Companies (Accounts)Rules,2014
2. Figures in brackets represent outflows / deductions.

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812

MSKA & ASSOCIATES Chartered Accountants

Mumbai
May 29, 2023.

For and on behalf of the Board of Directors

Asit C Mehta Director DIN: 00169048 Mumbai May 29, 2023.	**Kirit H Vora** Director DIN: 00168907 Mumbai May 29, 2023.
Binoy Dharod Chief Financial Officer Mumbai May 29, 2023.	**Khushboo Hanswal** Company Secretary Mumbai May 29, 2023.

Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Consolidated Statement of Changes in Equity for the year ended March 31, 2023.

A. Equity Share Capital

(₹ in '000)

Particulars	No. of shares	Amount
Balance as at April 01,2021	48,33,575	48,336
Add: Changes in Equity Share Capital during the year*	13,802	138
Balance as at March 31, 2022	**48,47,377**	**48,474**
Add: Changes in Equity Share Capital during the year*	1,05,183	1,052
Balance as at March 31, 2023	**49,52,560**	**49,526**

* Disposal of 105183 (13802) Equity Shares (Treasury Shares) held by Nucleus Stock Trust.

B. Other Equity

For the year ended 31 March 2023

(₹ in '000)

Particulars	Reserves & Surplus				Equity Instruments through OCI	Total Attributable to Owners of the Company	Attributable to Non controlling Interest	Total Other Equity
	Capital Reserve	Other Equity	Securities Premium	Retained Earnings				
Balance as at April 01, 2022	760	9,017	43,700	(89,478)	46,122	10,121	41,948	52,069
Addition during the year	-	-					-	-
Profit for the period	-	-	-	(89,193)	-	(89,193)	(3,932)	(93,125)
Other Comprehensive Income for the year	-	-	-	-	(18,906)	(18,906)	(1,307)	(20,213)
Adjustment for the year	-	-	-	14,116	-	14,116	(14,116)	-
Balances as at March 31, 2023	**760**	**9,017**	**43,700**	**(1,64,555)**	**27,216**	**(83,862)**	**22,593**	**(61,269)**

For the year ended 31 March 2022

(₹ in '000)

Particulars	Reserves & Surplus				Equity Instruments through OCI	Total Attributable to Owners of the Company	Attributable to Non controlling Interest	Total Other Equity
	Capital Reserve	Other Equity	Securities Premium	Retained Earnings				
Balance as at April 01, 2021	760	9,017	41,693	1,04,685	42,899	1,99,054	37,977	2,37,031
Addition during the year	-	-	2,007	-		2,007	-	2,007
Profit for the period	-	-	-	10,824	-	10,824	3,808	14,632
Other Comprehensive Income for the year	-	-	-	-	3,223	3,223	163	3,386
Adjustment for the year	-	-	-	(2,04,987)	-	(2,04,987)	-	(2,04,987)
Balances as at March 31, 2022	**760**	**9,017**	**43,700**	**(89,478)**	**46,122**	**10,121**	**41,948**	**52,069**

See accompanying Notes to the Consolidated Financial Statements 1 to 62

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale
Partner
Membership Number: 117812

Mumbai
May 29, 2023.

MSKA & ASSOCIATES Chartered Accountants

For and on behalf of the Board of Directors

Asit C Mehta
Director
DIN: 00169048

Mumbai
May 29, 2023.

Kirit H Vora
Director
DIN: 00168907

Mumbai
May 29, 2023.

Binoy Dharod
Chief Financial Officer

Mumbai
May 29, 2023.

Khushboo Hanswal
Company Secretary

Mumbai
May 29, 2023.

Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

1 Corporate Information

The Consolidated Financial Statements comprise the financial statements of Asit C Mehta Financial Services Limited ('the Holding Company'), Asit C Mehta Investment Interrmediates Limited ('ACMIIL and 'the Subsidiary') and Edgytal Fintech Investments Services Pvt. Ltd. (formerly known as Edgytal Digital Marketing Pvt. Ltd.) ('Edgytal' and 'Subsidiary'), hereinafter together referred to as Group.

The Holding Company is a Public Limited Company Incorporated and domiciled in India and has its registered office in Nucleus House, Saki Vihar Road, Andheri (East) Mumbai - 400072. The shares of the Holding Company are listed on BSE Limited.

The Holding Company is engaged in the business of Renting of immovable properties. The Holding Company has classified the aforesaid business as an 'investment activities'. The Holding Company is also rendering 'Advisory and Consultancy Services'.

The Subsidiary (ACMIIL) is a member of BSE Limited, The National Stock Exchange of India Limited ("NSE") and is engaged in shares and securities broking in cash, derivative including currency derivative segment, debt markets and mutual fund along with other fund mobilization. The Subsidiary is a Category- I Merchant Banker registered under the Securities & Exchange Board of India (Merchant Bankers) Regulations, 1992 and is also engaged in providing services of Investment Banking, Corporate Finance & Advisory. It has also started providing the services of Portfolio Management Services and The subsidiary has continue the membership of Pension Fund Regulatory and Development Authority ("PFRDA").

The Subsidiary is also a Depository Participant of Central Depository Services (India) Limited and providing services as Depository Participant.

The Subsidiary (Edgytal) The company is registered as a startup by th department for Promotion of Industry and Internal Trade for Promotion of Industry and Internal Trade, under the Ministry of Commerce & Industry and the company is developing software solutions for the Broking entities which is at advance stage. The Company is in gestation period and taking various operational, financial and administrative steps for business growth as per their business objectives.

2 Significant Accounting Policies

2.1 Basis of Preparation of Financial Statements

a. Statement of Compliance with Ind AS

The Consolidated Financial Statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

b. Basis of Preparation of Consolidated Financial Statements

i Basis of Consolidation

The Consolidated Financial Statements have been prepared on the following basis:

- The Financial Statement of the Holding Company and its subsidiaries have been combined on line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions resulting in unrealised profits / losses as per Ind AS 110.
- The difference between the group costs of Investments in the subsidiaries, over its portion of equity at the time of acquisition of shares is recognised in the Consolidated Financial Statements as Goodwill. The Goodwill recognised in the Consolidated Financial Statements is tested for impairment, if any.
- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the Non-controlling shareholders at the date on which investments in the subsidiary companies were made and further movements in their share in equity, subsequent to the dates on investment. Net profit / loss for the year of the subsidiaries attributable to Non-controlling interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Holding Company.
- Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Holding Company's separate financial statements.

The subsidiary companies considered in the Consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% of voting power held as at 31.3.2023	% of voting power held as at 31.3.2022
1. Asit C Mehta Investment Interrmediates Ltd (ACMIIL)	India	93.09	93.09
2. Edgytal Fintech Investment Services Pvt. Ltd. (formerly known as Edgytal Digital Marketing Pvt. Ltd.)	India	77.89	77.89

The Financial Statements of the Subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company i.e. 31.3.2023 (P.Y. 31.03.2022).

ii Basis of measurement

The Consolidated Financial Statements are prepared on going concern basis under the historical cost convention or amortised cost, except for the following assets and liabilities, which have been measured at fair value:

- Certain financial assets and liabilities
- Defined Benefits Plans- Plan assets

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iii Classification between Current and Non-current

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle
ii. Held primarily for the purpose of trading
iii. Expected to be realised within twelve months after the reporting period, or
iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
i. It is expected to be settled in normal operating cycle
ii. It is held primarily for the purpose of trading
iii. It is due to be settled within twelve months after the reporting period, or
iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The Company classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

iv Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected.

v Functional and presentation currency

These Consolidated Financial Statements are presented in Indian Rupees (INR), which is also the Group's functional currency and accordingly all amounts are in INR and all amounts are rounded off to the nearest thousand (INR '000) upto two decimals, except when otherwise

2.2 Property, Plant and Equipment (PPE)

- PPE is recognised when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. PPE are stated at cost less accumulated depreciation and impairment losses, if any. The initial cost of an asset comprises its purchase price, non-refundable purchase taxes and any costs directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any. Cost includes, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy.
- If significant parts of an item of PPE have different useful lives, then those are accounted as separate items (major components) of PPE.
- Material items such as spare parts, stand-by equipment and service equipment are classified as and when they meet the definition of PPE, as specified in Ind AS 16 on "Property, Plant and Equipment".
- The carrying amount of an item of PPE is derecognised upon disposal or when no future economic benefit is expected to arise from its continued use. Any gain or loss arising on the derecognition of an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the item and is recognised in Consolidated Statement of Profit and Loss.

Asset Class	Useful Life
Office Equipment	5 Years
Computers	3 Years
Furniture & Fixture	10 Years
Air Conditioner	5 Years
Solar System	15 Years
Projector	5 Years
Electrical Fittings	14 Years
Motor Vehicles	8 Years

ACMIIL - the subsidiary of the Company:

In respect of each item of the Fixed Assets, existing on the date of the applicability of the requirements of the Schedule II, i.e. on 01.04.2014, the Company has got evaluated technically by the Valuation Advisor, by examining physically each such items of Fixed Assets, as to their possible total useful lives from the respective dates of purchases, acquisition, etc. and based thereon, the balance remaining useful lives. In respect of additions during the year, the Company has adopted the useful lives of respective item of fixed assets as specified in Part C of schedule II of the Companies Act 2013.

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These useful lives, as determined by the Valuation Advisors, are different from the useful lives as specified in Part C of the Schedule II, and the details of which are as under:

Assets	As per Valuer's report	As per Part C of Schedule II
Furniture and Fixture	12 Years	10 years
Computer - End Users	8 years	3 Years
Computer - Server, HUB, Router	10 years	6 years
Office Equipment	11 years	5 years
Other Equipments	14 Years	5 years
Electrical Installation	14 Years	10 years
Vehicles	10 years	8 years

Justification for adopting longer useful lives

i) Due to Regular Maintenance through Qualified Technicians onsite.

ii) Maintenance Contract from Specialist or Original Manufacturer of the product, this ensures quality of services to get longer economic benefit from the product.

iii) Turn around and quality of the Spares used which serve the purpose without need for changes to higher or newer technologies.

2.3 Depreciation

Depreciation on Property, Plant and Equipment is provided on the Straight-Line Method in accordance with requirements prescribed under Schedule II to the Companies Act, 2013. The Group has assessed the estimated useful lives of its PPE and has adopted the useful lives and residual value as prescribed therein. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis.

2.4 Investment Property

Property that is held to earn rentals or for capital appreciation or both, is classified as an Investment Property. It is measured initially at its cost, including related transaction costs. Subsequently, it is carried at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses (Refer Note 3C). Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Consolidated Statement of profit and loss. Transfer to, or from, investment property is done at the carrying amount of the property.

Depreciation of Investment property is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the management, corresponds to those prescribed by the schedule II - Part 'C'.

Asset Class	Useful Life
Investment Property	60 Years

2.5 Intangible Assets and Amortisation

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised as per Ind AS 38. Software is being amortised over a period of three years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from derecognition of an Intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in the consolidated statement of profit and loss when the asset is derecognised.

2.6 Non-current Assets held for sale

Assets held for sale are measured at the lower of carrying amount or fair value less cost to sell. The determination of fair value less cost to sell includes use of managements estimates and assumptions. The fair value of the assets held for sale has been estimated using valuation techniques (mainly Income and Market approach), which include unobservable inputs.

2.7 Impairment of non-financial assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets may have been impaired. If any such indication exists, the recoverable amount, which is the higher of its value in use or its fair value less costs of disposal, of the asset or cash-generating unit, as the case may be, is estimated and impairment loss (if any) is recognised and the carrying amount is reduced to its recoverable amount. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss. When an impairment subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but upto the amount that would have been determined, had no impairment loss been recognized for that asset or cash generating unit. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

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Notes forming part of the Consolidated Financial Statements :

2.8 Consolidated Statement of Cash Flows

Cash flows are reported using the indirect method, whereby the Consolidated net profit for the period is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, cash at banks, other short-term deposits and highly liquid investments with original maturity of three months or less that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

2.9 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences if any to the extent regarded as an adjustment to the borrowing costs.

2.10 Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risk and returns and Internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources in assessing the performance.

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting Consolidated Financial Statements of the group as a whole. Common allocable cost are allocated to each segment on an appropriate basis.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to activities of the segment.

Revenue, expenses, assets and liabilities which relates to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue/expenses/assets/liabilities" respectively.

2.11 Provisions, Contingent Liabilities and Contingent Assets

Provision is recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision is not recognised for future operating losses.

Provision is measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, the amount of provision is discounted using an appropriate pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A Contingent liability is disclosed in case of a present obligation arising from past events, when it is either not probable that an outflow of resources will be required to settle the obligation, or a reliable estimate of the amount cannot be made. A Contingent Liability is also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent Assets are not recognised but where an inflow of economic benefits is probable, contingent assets are disclosed in the Consolidated Financial Statements.

2.12 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits of a transaction will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Rental Income

Rental Income is accounted as and when accrues on straight line method and reported net of taxes.

Interest Income

Interest income from a financial asset is recognised on a timely basis, by reference to the principal outstanding and at the effective interest rate applicable. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of that financial asset.

Dividends

Dividend income from investments is recognised when the Company's right to receive dividend is established, which is generally when shareholders approve the dividend.

Advisory

Revenue from advisory, brokerage and consultancy services is recognised on rendering of services / work performed.

Revenue from Depository operations

Revenue from Depository operations is considered to accrue as one time Transaction charges based on the financial year; Income from shares & securities brokerage activities is considered as accrued on the trade date of the transaction.

Income from Broking Services

Income from shares & securities brokerage activities is considered as accrued on the trade date of the transaction. Income from Brokerage, Demat charges, Fund Mobilization & Corporate Advisory services are exclusive of Goods and Services tax.

Income from Information Technology Enabled Services (ITES) and Software services

Income from services rendered of ITES is recognized on services rendered. Software services fees are accounted on its completion and acceptance by the customers.

Other Non-operating Income

All other income is recognised on an accrual basis, when there is no uncertainty in the ultimate collection / realisation.

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2.13 Employee Benefits

(i) Short term employee benefits

Employee benefits such as salaries, wages, short term compensated absences, expected cost of bonus and ex-gratia falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are recognised as an expense at the undiscounted amount in the consolidated statement of profit and loss of the year in which the related service is rendered.

(ii) Long-term employee benefits:

Defined Contribution Plan:

Provident Fund:

The eligible employees of the Group are entitled to receive post-employment benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the employee's eligible salary (currently 12%). The contributions if any, are made to the Central Provident Fund under the State Pension Scheme. Provident Fund is classified as Defined Contributions Plans as the Group has no further obligation beyond making the contribution. Provident funds contribution if any, is charged to the Consolidated statement of profit and loss as incurred.

Defined Benefit Plan:

a. Gratuity:

The Group has an obligation towards gratuity, a defined benefits retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement or death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses is reflected immediately in the Consolidated Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or Loss. Past service cost is recognised immediately for both vested and the non-vested portion. The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the present value of the defined benefit obligation.

b. Compensated absences:

The Group provides for encashment of leave or leave with pay subject to certain rules. The liability is recognized based on number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to the Consolidated Statement of Profit and loss in the year in which they arise.

2.14 Taxes on Income

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Consolidated Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated as per the applicable provisions and tax rates that have been enacted or substantively enacted by the end of the reporting period and the provisions of the Income Tax Act, 1961 and other tax laws, as applicable.

Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Consolidated Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when deferred income tax assets and liabilities relate to the income tax levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net or simultaneous basis.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient future taxable profits will be available to allow all or part of the asset to be recovered.

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

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

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

2.15 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Initial Recognition:

Financial assets and Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at Fair Value through Profit or Loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised in the Consolidated Statement of Profit and Loss.

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Classification and Subsequent Measurement: Financial Assets

The Group classifies financial assets as subsequently measured at amortised cost, Fair Value Through Other Comprehensive Income ("FVTOCI") or Fair Value Through Profit or Loss ("FVTPL") on the basis of following:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial assets.

Amortised Cost:

A financial asset shall be classified and measured at amortised cost, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Other Comprehensive Income (FVTOCI):

A financial asset shall be classified and measured at FVTOCI, if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Fair Value through Profit or Loss (FVTPL):

A financial asset shall be classified and measured at FVTPL unless it is measured at amortised cost or at FVTOCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Impairment of financial assets:

The Group recognises loss allowance using expected credit loss model for financial assets which are not measured at Fair Value through Profit or Loss. Expected credit losses are weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at original effective rate of interest.

Derecognition of financial assets:

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in statement of profit or loss if such gain or loss would have otherwise been recognised in statement of profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Classification and Subsequent Measurement: Financial liabilities:

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

Financial Liabilities at FVTPL:

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL.

Gains or Losses on liabilities held for trading are recognised in the Consolidated Statement of Profit and Loss.

Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities:

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different.

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Notes forming part of the Consolidated Financial Statements :

Offsetting:

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

Financial liabilities and equity instruments:

- Classification as debt or equity:

  Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
- Equity instruments:

  An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the Group are recognised at the proceeds received.

2.16 Significant accounting judgement, estimates and assumptions

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

Financial guarantee contracts issued by the Group are initially measured at their fair values and are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18

When guarantee in relation to loans or other payables of subsidiaries are provided for no compensation, the fair values are accounted for as contributions and recognized as cost of investment.

2.17 Leases

The Company has adopted Ind AS 116-Leases effective 1st April, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (April 1, 2019).

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

As a Lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 to allocate the consideration in the contract.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other Operating Revenue under Revenue from Operations in the Statement of Profit and Loss.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116.

Operating Leases

Leases are classified as operating leases whenever the terms of the lease do not transfer substantially all the risks and rewards incidental to ownership.

Lease rentals on assets under operating lease are recognized or charged to the Consolidated Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

Assets leased out under operating leases are continued to be shown under the respective class of assets. Rental income is recognised on a straight line basis over the term of the relevant lease.

Where the rental are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

2.18 Ind AS 115: Revenue from Contracts with Customers

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expect to receive in exchange for those products or services.

Ind AS 12 - Income Taxes

- Appendix C, Uncertainty over Income Tax Treatment: This amendment is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the Appendix: (1) the entity needs to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which better predicts of the resolution of the uncertainty;

(2) the entity is to assume that the taxation authority will have right to examine and have full knowledge of all related information when making those examinations; and

(3) entity has to consider whether it is probable that the taxation authority will accept the tax treatment and accordingly, determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability.

The Group does not expect any significant impact of the amendment on its financial statements.

- Consequences of Dividend

The amendments are in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this amendment.

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Notes forming part of the Consolidated Financial Statements :

2.19 Right-of-Use Asset ("ROU")

At the date of commencement of the lease, the Company recognise a right-of-use-asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term lease and lease of low-value assets.

The Right-of-use assets are initially recognised at cost, which comprise the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight line basis over the shorter the lease term and useful life of the underlying asset and the average lease terms.

The Right-of-use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

The Right-of-use assets is also subject to impairment. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

2.20 Earnings Per Share

The basic earnings per share are computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares, if any, outstanding during the year, except where the results would be anti-dilutive.

2.21 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Consolidated Financial Statements requires the management to make judgements, estimates and assumptions in the application of accounting policies and that have the most significant effect on reported amounts of assets, liabilities, incomes and expenses, and accompanying disclosures, and the disclosure of contingent liabilities. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the Consolidated financial statements.

Key estimates, assumptions and judgements

The key assumptions concerning the future and other major sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Income taxes

Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions as also to determine the amount of deferred tax that can be recognised, based upon the likely timing and the level of future taxable profits.

Depreciation and Amortisation

Property, Plant and Equipment/ Other Intangible Assets are depreciated/amortised over their estimated useful lives, after taking into account estimated residual value. The useful lives and residual values are based on the Group's historical experience with similar assets and taking into account anticipated technological changes or commercial obsolescence. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/amortisation to be recorded during any reporting period. The depreciation/amortisation for future periods is revised, if there are significant changes from previous estimates and accordingly, the unamortised/depreciable amount is charged over the remaining useful life of the assets. Refer Note. 3

Employee Benefit Plans

The cost of the defined benefit gratuity plan and other-post employment benefits and the present value of gratuity obligations and compensated absences are determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer Note. 32

Impairment of Financial Assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Impairment of Non-Financial Assets

The Group has used certain judgements and estimates to work out future projections and discount rates to compute value in use of cash generating unit and to access impairment. In case of certain assets independent external valuation has been carried out to compute recoverable values of these assets.

Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment. Refer Note. 5 and 10

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Fair Value measurements of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets (Net Assets Value in case of units of Mutual Funds), their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer Note. 45

Provisions

Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances. Refer Note. 21 and 29

2.22 Business combination under common control

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to capital reserve.

2.23 Rounding off amounts

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

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Notes forming part of the Consolidated Financial Statements :

3A Property, Plant and Equipment:

(₹ in '000)

Particulars	Computers	Electric Fittings	Furnitures and fixtures	Motor Vehicles	Office and Other Equipments	Solar System	Air Conditioners	Office Building	Projector	Total
(I) Gross Carrying Value										
Balance as at April 1, 2021	15,038	875	12,556	2,424	12,609	2,183	51	49,234	7	**94,977**
Additions during the year	1,237	-	-	2,525	366	-	-	211	-	**4,339**
Deductions/Adjustments during the year	-	-	-	-	(61)	-	-	-	-	**(61)**
Balance as at March 31, 2022	**16,275**	**875**	**12,556**	**4,949**	**12,914**	**2,183**	**51**	**49,445**	**7**	**99,255**
Additions during the year	1,019	-	-	-	32	-	133	-	-	**1,184**
Deductions/Adjustments during the year	(1,136)	(11)	(129)	(990)	(81)	-	-	-	-	**(2,347)**
Balance as at March 31, 2023	**16,158**	**864**	**12,427**	**3,959**	**12,865**	**2,183**	**184**	**49,445**	**7**	**98,092**
(II) Accumulated Depreciation										-
Balance as at April 1, 2021	12,065	814	9,951	987	9,217	538	14	10	-	**33,596**
Depreciation expense for the year	1,648	5	226	307	937	138	7	1,416	-	**4,684**
Deductions/Adjustments during the year	-	-	-	-	-	-	-	-	-	**-**
Balance as at March 31, 2022	**13,713**	**819**	**10,177**	**1,294**	**10,154**	**676**	**21**	**1,426**	**-**	**38,280**
Depreciation expense for the year	608	3	150	537	576	138	25	1,416	-	**3,453**
Deductions/Adjustments during the year	(728)	-	-	(942)	(76)	-	-	-	-	**(1,746)**
Balance as at March 31, 2023	**13,593**	**822**	**10,327**	**889**	**10,654**	**814**	**46**	**2,842**	**-**	**39,987**
Net Carrying Value (I-II)										
Balance as at March 31, 2022	**2,562**	**56**	**2,379**	**3,655**	**2,760**	**1,507**	**30**	**48,019**	**7**	**60,975**
Balance as at March 31, 2023	**2,565**	**42**	**2,100**	**3,070**	**2,211**	**1,369**	**138**	**46,603**	**7**	**58,105**

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Notes forming part of the Consolidated Financial Statements :

3B Capital work in progress

(₹ in '000)

Particulars	As at 1 April 2022	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at 31 March 2023
Amount	1,00,000	11,988	11,988	-	-	1,11,988

(₹ in '000)

Particulars	As at 1 April 2021	Expenditure during the year	Capitalized during the year	Impairment	Written off	Closing as at 31 March 2022
Amount	-	1,00,000	1,00,000	-	-	1,00,000

Capital work in progress as at 31 March 2023 comprises expenditure for the new applications under progress. Total amount of CWIP is Rs. 1,11,987.62 (31 March 2022: Rs. 1,00,000.00) (₹ in '000). Refer Note 3E(a) for the ageing of Capital WIP.

(a) Ageing schedule

31-Mar-23

(₹ in '000)

Capital work in progress	Amount in Intangible Asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11,988	1,00,000	-	-	1,11,988
Projects temporarily suspended	-	-	-	-	-
Total	11,988	1,00,000	-	-	1,11,988

31-Mar-22

(₹ in '000)

Capital work in progress	Amount in Intangible Asset under development for a period of				Total
	Less than 1 year	1-2 years	2-3years	More than 3 years	
Projects in progress	1,00,000	-	-	-	1,00,000
Projects temporarily suspended	-	-	-	-	-
Total	1,00,000	-	-	-	1,00,000

Total amount Rs. 1,13,768 (in'000) [previous year Rs. 1,00,000 (in '000)]

(b) There are no Capital work in progress as at March 2023 & 2022, where completion is overdue or cost of which has exceeded in comparison to its original plan.

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Notes forming part of the Consolidated Financial Statements :

3C (i) Investment Property:

(₹ in '000)

Particulars	Amount
(I) Gross Carrying Value	
Balance as at April 1, 2021	5,81,265
Additions during the year	-
Deductions/Adjustments during the year	(45,464)
Other Adjustments during the year	-
Balance as at March 31, 2022	**5,35,801**
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2023	**5,35,801**
(II) Accumulated Depreciation	
Balance as at April 1, 2021	59,655
Depreciation expense for the year	11,949
Deductions/Adjustments during the year	(6,425)
Balance as at March 31, 2022	**65,179**
Depreciation expense for the year	11,212
Deductions/Adjustments during the year	-
Balance as at March 31, 2023	**76,391**
Net Carrying Value (I-II)	
Balance as at March 31, 2022	**4,70,622**
Balance as at March 31, 2023	**4,59,410**

(ii) Right of use Assets:

(₹ in '000)

Particulars	Amount
(I) Gross Carrying Value	
Balance as at April 1, 2021	-
Additions during the year	499
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2022	**499**
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2023	**499**
(II) Accumulated Depreciation	
Balance as at April 1, 2021	-
Depreciation expense for the year	125
Deductions/Adjustments during the year	-
Balance as at March 31, 2022	**125**
Depreciation expense for the year	125
Deductions/Adjustments during the year	-
Balance as at March 31, 2023	**250**
Net Carrying Value (I-II)	
Balance as at March 31, 2022	**374**
Balance as at March 31, 2023	**249**

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Notes

The Holding Company has, inter alia, leased some of its immovable property to two of its subsidiaries, that is leased to entities within the Group and therefore, in terms of the relevant provisions of Ind AS 40 on "Investment Property" such leased immovable property to the extent so leased, would not be regarded as Investment Property from the perspective of the Group, being in nature of "owner occupied property" as so defined in the said Ind AS and accordingly, such immovable property needs to be presented as Property, Plant & Equipment ("PPE") in consolidated financial statements ("CFS") of the Group. However, it is not practicable or possible to ascertain or find out the cost or deemed cost of such immovable leased property for presenting as PPE in CFS. In view of this, in CFS, the Group has not separately presented the amount pertaining to such leased immovable property as PPE and has continued to disclose under Investment Property only.

The Company has mortgage above Investment property as security against the borrowings.

Disclosure pursuant to Ind AS 40 "Investment Property"

a. Amount recognised in the Statement of Profit and Loss from investment property:

(₹ in '000)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rental income derived from investment property	14,143	7,802
Direct operating expenses arising from investment property that generated rental income	(37,217)	(30,980)
Profit from investment properties before depreciation	**(23,074)**	**(23,178)**
Depreciation	(11,212)	(11,949)
Profit from Investment property	**(34,286)**	**(35,127)**

b. Fair Value of Investment Property

(₹ in '000)

Particulars	As at March 31, 2023	As at March 31, 2022
Fair Value of Investment Property	9,38,704	10,06,505
Total	**9,38,704**	**10,06,505**

Valuation is based on the report as of March 31, 2023 of an accredited independent valuer. Fair value is based on market value approach wherever available.

c. Contractual Obligations

There is no contractual obligation to purchase, construct or develop investment property.

d. Leasing arrangements

Certain identifiable portions of investment properties are leased out to tenants under cancellable operating lease.

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Notes forming part of the Consolidated Financial Statements :

3D Goodwill

(₹ in '000)

Particulars	Amount
(I) Gross Carrying Value	
Balance as at April 01, 2021	**40,012**
Additions during the year	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	(7,752)
Balance as at March 31, 2022	**32,260**
Additions during the year (refer note 18)	-
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2023	**32,260**
(II) Impairment	
Balance as at April 01, 2021	-
Depreciation expense for the year	-
Deductions/Adjustments during the year	-
Balance as at March 31, 2022	-
Depreciation expense for the year	-
Deductions/Adjustments during the year	-
Balance as at March 31, 2023	-
Net Carrying Value (I-II)	
Balance as at March 31, 2022	**32,260**
Balance as at March 31, 2023	**32,260**

3E Other Intangible Assets:

(₹ in '000)

Particulars	Amount
(I) Gross Carrying Value	
Balance as at April 01, 2021	**6,359**
Additions during the year	429
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2022	**6,788**
Additions during the year (refer note 18)	1,648
Deductions/Adjustments during the year	-
Other Adjustments during the year	-
Balance as at March 31, 2023	**8,436**
(II) Accumulated Depreciation	
Balance as at April 01, 2021	2,098
Depreciation expense for the year	832
Deductions/Adjustments during the year	-
Balance as at March 31, 2022	**2,930**
Depreciation expense for the year	780
Deductions/Adjustments during the year	-
Balance as at March 31, 2023	**3,710**
Net Carrying Value (I-II)	
Balance as at March 31, 2022	**3,858**
Balance as at March 31, 2023	**4,726**

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4 **Investments : Non-current**

Particulars	Paid up Value / Face Value	As on March 31, 2023		As on March 31, 2022	
		No. of shares	(₹ in '000)	No. of shares	(₹ in '000)
Investment in equity instruments (fully paid-up)					
Equity investments at fair value through other comprehensive income (FVOCI)					
(i) Investment in					
Quoted equity shares					
Omnitex Industries (India) Limited	₹10 each	7,000	316	7,000	225
IRIS Business Services Limited	₹10 each	41,699	2,942	44,956	4,534
Accuracy shipping Limited	₹10 each	19,73,830	26,153	-	-
Ambition Mica Limited	₹10 each	74,500	387	-	-
Bindal Exports Limited	₹10 each	16,000	358	-	-
Innovator Façade Systems Limited	₹10 each	8,000	656	-	-
Lexus Granito (INDIA) Limited	₹10 each	36,000	2,291	-	-
Patdiam Jwelleries Limited	₹10 each	10,500	2,426	-	-
SS Infrastructure Development Consultants Ltd	₹10 each	69,000	528	-	-
Hcl Technologies Limited	₹2 each	12	13	-	-
Kotak Mahindra Amc	₹5 each	150	62	-	-
Quantum - Gold		9	0	-	-
Coffee Day Enterprises Ltd	₹10 each	-	-	13	1
Yes Bank Limited	₹2 each	-	-	9,075	112
Unquoted equity shares					
Pentation Analytics Private Limited**	₹10 each	1,82,500	59,495	1,82,500	61,550
Vippy Industries Limited	₹1 each	2,750	18	2,750	18
Asit C. Mehta Commodity Services Ltd.	₹10 each	4	-	4	-
Chargein Kiosk Pvt Ltd.	₹10 each	270	3	270	3
Investment in Preference Shares (fully paid-up)					
Investments measured at Fair Value Through Profit and Loss (FVTPL)					
In Redeemable Preference Shares					
Unquoted					
Omniscience Capital Advisors Private Limited*	₹10 each	8,25,000	2,490	8,25,000	2,273
Investment In Mutual Fund					
Investments measured at Fair Value Through Other Comprehensive Income (FVTOCI)					
14720.014 Units (As at 31.03.2021 - NIL) of Aditya Birla Sun Life Liquid Fund Growth	₹10 each	14,720.01	5,296	14,720.01	5,000
Total			1,03,434		73,715

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Aggregate book value of:		
Quoted investments	41,428	9,871
Unquoted investments	62,006	63,844
Aggregate market value of:		
Quoted investments	41,428	9,871

a. * 0.1% Redeemable Cumulative Preference Shares of Omniscience Capital Advisors Private Limited redeemable at any time within a period of 20 years from the date of allotment.

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5 Trade Receivable - Non Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
a)Long Term Trade Receivable		
Trade Receivable	12,780	13,277
Less : Provision for Doubtful debts *	(2,711)	(3,295)
	10,069	9,982
Unsecured, considered doubtful		
Trade Receivable	1,900	1,900
Less : Provision for Doubtful debts *	(1,900)	(1,900)
	-	-
Amounts Due from Business Associates		
Secured against Base capital Deposits	243	162
Others - Unsecured, considered good	2,925	3,416
	3,168	3,578
Amounts Due from Constituents		
Secured against Shares	1,436	570
Others - Unsecured, considered good	3,610	3,062
	5,046	3,632
Total	18,283	17,192

* As per the terms and conditions of the Agreements executed by ACMIIL, one of the Subsidiaries with Business Associates, the said subsidiary has an absolute right to recover all the dues from them. However, as a good business practice, the said subsidiary has adopted cordial and amicable means for recoveries of dues in most practical and fair manner and therefore, it is confident that the amounts classified as Unsecured, would be recovered in due course. The said subsidiary has also filed the cases against the Clients whose dues are adjusted in Business Associate commission Ledgers. The said subsidiary has also initiated legal steps towards recovery of dues from Arbitragers. The said subsidiary has got the arbitration award in one matter and as per para 5.5.11 of IND AS 109 , it has valid and sufficient proof for not making the 100% provision as per ECL system. The said subsidiary has made provision based on the historical data on outstanding for more than 1 Years as per IND AS requirement.

Trade Receivables ageing schedule as on March 31, 2023

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	1,813	4,654	2,253	28	3,423	12,171
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	27	163	309	2,175	6,149	8,823
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	1,900	1,900
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)					(4,611)	(4,611)
Total	1,840	4,817	2,562	2,203	6,861	18,283

Trade Receivables ageing schedule as on March 31, 2022

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	-	514	1,433	3,459	1,805	7,210
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	406	6,809	4,163	11,377
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	1,900	1,900
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)					(3,295)	(3,295)
Total	-	514	1,839	10,268	4,572	17,192

The due date of payment has taken as the date of transition as due date of payment has not specified.

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements

6 **Financial Asset - Others: Non Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
Fixed Deposits with Banks having Maturity of more than twelve months	2,129	6,625
Security Deposits:		
Membership and Other Deposits with Stock Exchanges and Securities Clearing Corpora	10,590	9,618
Other Deposits	2,084	1,021
Total	**14,803**	**17,264**

7 **Income Tax Assets (net) : Non Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
Income Tax	26,740	22,921
MAT Credit Entitlement Written off / Utilised	-	65
Total	**26,740**	**22,986**

8 **Deferred Tax Assets (Net): Non Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Deferred Tax Assets (Net)	14,520	-
Total	**14,520**	-

9 **Other Non-Current Assets:**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
Prepaid Component of Preference Shares	-	5,305
Prepaid Expenses	350	543
Total	**350**	**5,848**

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10 Trade Receivables - Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good	63,338	54,476
Unsecured, considered doubtful	-	-
Less: provision for doubtful debts	-	-
Total	**63,338**	**54,476**

Trade Receivables aging schedule as on March 31, 2023

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	62,876	462	-	-	-	63,338
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Total	**62,876**	**462**	**-**	**-**	**-**	**63,338**

Trade Receivables aging schedule as on March 31, 2022

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment #					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	53,275	1,120	24	-	57	54,476
(ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade receivables - Credit impaired	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade receivables - Credit impaired	-	-	-	-	-	-
Total	**53,275**	**1,120**	**24**	**-**	**57**	**54,476**

The due date of payment has taken as the date of Transition as due date of payment has not specified.

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11 Cash and Cash Equivalents

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Cash on hand	93	160
Balances with Banks		
In Current Accounts	1,10,465	1,20,855
Total	1,10,558	1,21,015

12 Bank Balances other than Cash and Cash Equivalents

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Fixed Deposit With Banks having Maturity of not more than 12 months	2,45,713	1,33,028
Fixed Deposits pledged with Bank against Bank guarantee [Having maturity of not more than 12 months]	8,093	8,093
Total	2,53,806	1,41,121

a. Fixed Deposits with Bank of India Stock Exchange Branch include ₹ Nil (in'000) (Previous Year ₹ 8,750 (in'000)) pledged against gurantee given by the Bank in favour of Exchange and Clearing Corporation

b. Fixed Deposits with State Bank of India includes ₹.82,673 (in'000) (Previous year ₹ 75,000 (in'000)) kept as lien with Bank against Overdraft

c. The aforesaid entities in respect of whom Fixed Deposits have been pledged with Bank of India have duly complied with their Interest obligation.

13 Loans : Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
Inter corporate loan and Loans to related party (Refer the note no.13.1)	13,459	2,15,918
Inter corporate Deposit	-	7,694
Loans to staff	72	579
Total	13,531	2,24,191

13.1 Additional Regulatory Information :

Disclosure with respect to Loans or Advances granted to Promoters,Directors,KMP and the Related Parties for March 31, 2023

Type of Borrower	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
			As on March 31, 2023	
Promoters			-	-
Directors			-	-
KMPs			-	-
Related Parties			-	-
TOTAL			-	-

Disclosure with respect to Loans or Advances granted to Promoters,Directors,KMP and the Related Parties for March 31, 2022

Type of Borrower	Repayable on demand (Yes / No)	Terms/Period of repayment is specified (Yes / No)	Amount of loan or advance in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
			As on March 31, 2022	
Promoters			-	-
Directors			-	-
KMPs				
Sumit Sharma	Yes	Yes	25	0
Related Parties				
Asit C Mehta Commodity Services Limited	Yes	No	28,122	13
TOTAL			28,147	13

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Notes forming part of the Consolidated Financial Statements

14 Other Financial Assets : Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Deposits: -		
Deposit for premises	216	-
Deposit with Clearing house	-	20,000
Deposit with Stock Exchange	-	2,406
Deposit with Orbis	2,77,130	2,59,778
Unsecured, considered good unless otherwise stated		
Interest receivable	33	4,126
Receivable on TDS accounts from NBFC	946	1,080
Balances with Stock Exchanges (Net)	19,367	61,288
Other Advances	1,529	1,176
Amounts Due from Business Associates		
Secured against Base capital Deposits, considered good	-	204
Unsecured, considered good	-	603
Total	2,99,221	3,50,661

Amounts due from Business Associates, Constituents and Advances are subject to confirmation.

The amounts due from Constituents represent amounts receivable on account of Securities broking transactions. These accounts comprise the running transactions by the constituents.

15 Other Current assets

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Unsecured, considered good		
Balances with Government Authorities		
Excise Duty / Service Tax / GST	2,104	1,725
Others		
Prepaid Expenses	3,518	3,920
Prepaid Component of Preference Shares (refer note 4.a)	-	292
Deposit for Service Tax Appeal	340	340
Others	1,635	527
Total	7,597	6,804

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Notes forming part of the Consolidated Financial Statements

16 Equity Share Capital

(₹ in '000)

Particulars	As on March 31, 2023		As on March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Authorised :				
Equity shares of par value Rs.10/-	1,50,00,000	1,50,000	1,50,00,000	1,50,000
	1,50,00,000	**1,50,000**	**1,50,00,000**	**1,50,000**
Issued, Subscribed and Paid up :				
Equity shares of par value Rs. 10/- fully paid up	49,52,560	49,526	49,52,560	49,526
Less : Treasury Shares (Nucleus Stock Trust)*	-	-	(1,05,183)	(1,052)
Total	**49,52,560**	**49,526**	**48,47,377**	**48,474**

Terms/Rights attached to Equity Shares

i The Holding Company has only one class of shares referred to as equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share.

ii Dividend, if any, is declared and paid in Indian Rupees. Final dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the Annual General Meeting except in case of Interim Dividend. However, no dividend is declared on equity shares for the year ended March 31, 2023 and March 31, 2022.

iii In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the holding company after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by shareholders.

a. **Reconciliation of the number of shares outstanding**

Particulars	As on March 31, 2023		As on March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Equity Shares Outstanding at the beginning of the year	**48,47,377**	**48,474**	**48,33,575**	48,336
Changes during the year*	1,05,183	1,052	13,802	138
Equity Shares outstanding at the end of the year	**49,52,560**	**49,526**	**48,47,377**	**48,474**

* Treasury Shares

Treasury shares are held by Nucleus Stock Trust which represents NIL (PY: 1,05,183) Equity Shares of ₹10/- each fully paid-up of the Company issued, pursuant to a Scheme of Arrangement approved by the Hon'ble High Court of Bombay vide its Order dated February 10, 2006, to the Nucleus Stock Trust, created wholly for the benefit of the Company and is being managed by trustees appointed by it.

b.

Shares held by promoters at March 31, 2023			
Promoter Name	**No. of Shares**	**% of total shares**	**% Change during the year**
1) Asit C Mehta	**14,43,693**	**29.2**	**37.0**
2) Deena A Mehta	4,66,783	9.4	**64.5**
3) Asit C Mehta HUF	77,000	1.6	-
4) Jayesh T Desai HUF	7,120	0.1	-
5) Gopa Jayesh Desai	1,900	0.0	-
6) Rupa Atul Shah	1,500	0.0	-
7) Cliqtrade Stock Brokers Private Limited	18,41,683	**37.2**	**100.0**
Total	**38,39,679**	**77.5**	

Shares held by promoters at March 31, 2022			
Promoter Name	**No. of Shares**	**% of total shares**	**% Change during the year**
1) Asit C Mehta	**22,91,638**	**46.3**	-
2) Deena A Mehta	13,14,728	26.5	**46.0**
3) Asit C Mehta HUF	77,000	1.6	-
4) Jayesh T Desai HUF	7,120	0.1	-
5) Gopa Jayesh Desai	1,900	0.0	-
6) Rupa Atul Shah	1,500	0.0	-
			-
Total	**36,93,886**	**74.6**	

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c. **Shareholders having more than 5% holding**

Name of the Shareholder	As on March 31, 2023		As on March 31, 2022	
	No. of shares	% Holding	No. of shares	% Holding
Mr. Asit C. Mehta	14,43,693	29.2%	22,91,638	46.3%
Mrs. Deena A. Mehta	4,66,783	9.4%	13,14,728	26.6%
Cliqtrade Stock Brokers Private Limited	18,41,683	37.2%		

d. **Information for the period of five years immediately preceding the date of Balance Sheet**

(i) Number and class of shares allotted as fully paid up pursuant to contract without payment received in cash	Nil	Nil
(ii) Aggregate number and class of shares allotted by way of Bonus shares	Nil	Nil
(iii) Aggregate number and class of shares bought back	Nil	Nil

17 **Other Equity**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Capital Reserve		
Balance at the beginning and end of the year	760	760
	760	**760**
Securities Premium		
Balance at the beginning and end of the year	43,700	41,693
Add: - Additions during the year	-	2,007
	43,700	**43,700**
Other Equity		
Balance as at the beginning of the year*	9,017	9,017
Add: Additional Equity shares issued by Subsidiary company*	-	-
Add: Debenture Converted into Equity Share by Subsidiary Company*	-	-
Balance at the end of the year	**9,017**	**9,017**
Retained Earnings		
Balance as at the beginning of the year**	(89,478)	1,04,685
Add : Net Profit after Tax transferred from the Statement of Profit and Loss	(89,193)	10,824
Other Comprehensive Income/(Expense) arising from Remeasurement of Defined Benefit Obligation (Net of Tax)	-	-
Add: Adjustment to opening balance	14,116	(2,04,987)
Balance at the end of the year	**(1,64,555)**	**(89,478)**
Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	46,122	42,899
Add: Movement during the year	(18,906)	3,223
Less: Transferred to Retained Earning	-	-
Balance at the end of the year	**27,216**	**46,122**
Total	**(83,862)**	**10,121**

* Asit C Mehta Investment Intermediates Limited

**Since the One of the subsidiaries in the Group has elected to continue with carrying value of Investment property, the balance in Revaluation reserve as on date of transition, i.e. April 1, 2016 is transferred to Retained earnings.

Description of the nature and purpose of Other Equity

Capital Reserve: Capital reserves created by the Holding Company due to forfeiture of Equity Shares of the Holding Company on occasion of Amalgamation.

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

Retained Earnings: Retained Earnings are the profits that the Group has earned till date and is net of amount transferred to other reserves such as general reserves etc., amount distributed as dividends and adjustments on account of transition to Ind AS.

Equity Instruments through Other Comprehensive Income: This represents cumulative gains/(losses) arising on the measurement of equity instruments at Fair Value through Other Comprehensive Income.

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ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

18 Borrowings : Non-current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Secured loans		
A. Term Loans		
a. Car Loan from Bank [refer note (i) below]	-	182
b. Car Loan from Bank (refer note (ii) below)	825	1,061
B. From NBFCs		
c. Term Loan from NBFC (refer note (iii) below)	1,76,903	1,83,733
d. Term Loan from NBFC (refer note (iv) below)	13,428	15,107
e. Term Loan from NBFC (refer note (v) below)	83,910	86,844
Unsecured		
4% Redeemable non convertible Debentures 2,00,65,610 (As on 31st March 2022: 2,00,65,610) Debentures of Rs 10 each. (refer note (vi) below)	2,00,656	2,00,656
Loan from Directors (Including Interest Accrued ₹.5,736.12 ; Previous Year ₹ 3,632.56)	1,07,256	51,412
Total	**5,82,978**	**5,38,995**

Nature of Security and Term of Repayment of Long-term Borrowing :

(₹ in '000)

	Name of Security	As on March 31, 2023	As on March 31, 2022
i.	[Secured by hypothecation of motor cars Interest rate at 8.86% p.a. (previous year 8.86%p.a.)] Terms of Repayment : 60 Equivalent installment of Rs.37245/- P.M.	-	182
ii.	[Secured by hypothecation of motor cars Interest rate at 7.40% p.a. (previous year 7.40%.)] Terms of Repayment : 60 Equivalent installment of Rs.25,611/- P.M.	825	1,061
iii.	Secured by Equitable Mortgage of the properties located at Nucleus House A wing : unit 102 of 1st Floor, unit 201, 202 & 203 of 2nd Floor and unit 801 of 8th floor and B wing : unit 101, 102 of 1st floor and Unit 301 of 3rd Floor. (Repayable in 113 Installments) Rate of Interest : Interest rate are ranging from 10.20% to 12.75%	1,86,158	1,83,733
iv.	Secured by Equitable Mortgage of the properties located at Nucleus House B wing : unit 401of 4th floor, unit 501 of 5th floor and Unit 601 of 6th floor. (Repayable in 49 Installments) Rate of Interest : Interest rate are ranging from 10.20% to 14%	13,478	15,107
v.	Secured by Equitable Mortgage of the properties located at Nucleus House A wing : unit 3rd to 7th Floor. (Repayable in 144 Installments) Rate of Interest : Interest rate are ranging from 12.15% to 12.75%	86,910	86,844
	Total	**2,87,371**	**2,86,927**
	Less: Current Maturities of Long-term borrowings (refer note 24)	17,114	9,521
	Total	**2,70,257**	**2,77,406**
	In respect of unsecured loan - 4% Unsecured Redeemable Non-Convertible Debentures		
vi	2,00,65,610 Debentures being 4% Unsecured Redeemable Non-Convertible Debentures of Rs. 10/- each, redeemable in 3 Installments i.e after 36 Months-33.33%, after 48 Months - 33.33% and after 60 Months - 33.34% and on redemption premium is payable at 10% issue price. The Company has right of prepayment.	2,00,656	2,00,656
	Total	**2,00,656**	**2,00,656**

The Company has obtained term loan from Non-Banking Financial Corporation (NBFC's) during the financial year 2021-22 and 2022-23. As per the Loan Agreement/ term sheet, the said Loans was taken for the Purpose of repayment of debt, The company has used such borrowings for the purposes as stated in the loan agreement.

19 Lease Liability: Non-Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Lease Liability (refer note 41)	68	225
Total	**68**	**225**

20 Other Financial Liabilities: Non-Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Security Deposits	4,371	-
Total	**4,371**	**-**

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Notes forming part of the Consolidated Financial Statements :

21 **Provisions : Non-current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Provision for employee benefits		
Gratuity	1,758	7
Leave Encashment	2,506	2,379
Total	**4,264**	**2,386**

22 **Deferred tax liabilities (net): Non Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Deferred tax liabilities (net)	-	3,748
	-	**3,748**

23 **Other non-current liabilities**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Deferred Portion of Security Deposit	1,184	-
	1,184	-

24 **Borrowings : Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Repayable on demand		
From Banks- Secured		
Overdraft from Bank of India Bank of India [(overdraft facility) secured by (i) Mortgage of office unit no.101 A wing and Unit No.103 A wing situated at Nucleus House, Saki Vihar Road, Andheri (East), Mumbai-400072. in the Name of Asit C. Mehta Financial Services Limited - The Holding Company, and (ii) personal guarantee of the Managing Director, one of the whole time directors, its Holding company and one of the Group company] Rate of Interest by Bank Of India on Overdraft facility against Mortgage of Fixed Assets is MCLR Rate + 3.70% p.a. i.e Rate of Interest : Interest rate are ranging from 11.35% to 12.30%	-	12,947
Overdraft from State Bank of India State Bank of India[(Overdraft facility) secured by 25% Cash Margin in the form of Fixed deposit to be kept Bank lien, hypothecation on Receivable and WDV of Movable fixed Assets of the Company, Existing & future and further collaterals by (i) registered mortgage of residential premises owned by Managing director and one of the whole time directors; (ii) registered mortgage of office premises at 2/B, 2nd Floor , Nucleus House, Saki Vihar Road, Andheri East, Mumbai -72 owned by the company; and (iii) personal guarantee of the Managing Director and one of the whole time directors. [During the previous year (Overdraft facility) secured by hypothecation of all Receivable and first charge on present and future fixed assets, like computers & peripherals, furniture, electrical fittings, interior works, etc and further collaterals by (i) registered mortgage of residential and office premises owned by Managing director and one of the whole time directors; (ii) registered mortgage of office premises owned by one of the whole time directors; and (iii) personal guarantee of the Managing Director and one of the whole time directors (iv) Corporate Guarantee from Holding Company] ii) Rate of Interest by State Bank of India on Overdraft facility against Hypothecation of Fixed Assets is EBLR rate + 1% p.a. (Previous Year, EBLR rate + 2% p.a.) i.e Rate of Interest : Interest rate are ranging from 8.65% to 9.9%	2,99,681	2,82,236
From Others- unsecured		
Inter Corporate Deposit (Repayable on Demand and Rate of Interest ranging from 11% to 12%	2,61,232	2,21,000
Others		
Current Maturities of Long Term borrowings (refer note 18)	17,114	9,521
Loan from Mrs. Deena A. Mehta	1,594	1,464
Loan from Mr. Asit C. Mehta	-	
Total	**5,79,621**	**5,27,168**

i) The Group has satisfied all the covenants prescribed in terms of borrowings.

ii) In respect of working capital loans, quarterly returns or statements of Total Assets filed by the Group with banks, quarterly account finalization takes place subsequently. If there is any variation in the valuation, a revised statement are submitted to the bank.

25 **Lease Liability: Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Lease Liability	157	143
Total	**157**	**143**

Note : 26 Trade Payables: Current

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
(a) dues to micro enterprises and small enterprises; and	-	-
(b) dues to creditors other than micro enterprises and small enterprises	3,89,812	4,87,563
Total	**3,89,812**	**4,87,563**

Trade payables ageing schedule as on March 31, 2023

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year *	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others (see note below)	3,79,395	160	10,257	-	3,89,812
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Total	**3,79,395**	**160**	**10,257**	**-**	**3,89,812**

Trade payables ageing schedule as on March 31, 2022

(₹ in '000)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Year *	1 - 2 years	2 - 3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Others	4,74,119	13,444	-	-	4,87,563
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - others	-	-	-	-	-
Total	**4,74,119**	**13,444**	**-**	**-**	**4,87,563**

The Group Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Amounts payable to Micro and Small Enterprises	As on March 31, 2023	As on March 31, 2022
(i) the principal amount and the interest due thereon	Nil	Nil
(ii) interest Paid during the year	Nil	Nil
(iii) the amount of interest due and payable for the period of delay in making payment	Nil	Nil
(iv) the amount of interest accrued and remaining unpaid	Nil	Nil
(v) the amount of further interest remaining due and payable	Nil	Nil

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27 **Other Financial Liabilities: Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Security Deposits	1,650	6,809
Interest accrued but not due on long term borrowing	1,522	1,221
Base Capital deposits from Business Associates	19,736	21,304
Interest payable on borrowings	-	360
Other	2,411	-
Total	**25,319**	**29,694**

BASE CAPITAL DEPOSITS FROM BUSINESS ASSOCIATES

a. The Company, in the course of its business and as per the terms and conditions with Business Associates , has received security deposits in the form of cheques.

b. As per the terms and conditions, the Company has an absolute right to appropriate and realize the security deposits against the unpaid dues from clients introduced by Business Associates and the balance, if any, is refunded in the form of cheques.

c. The aggregate amount of security deposits (includng sticky balance) received from Business Associates and outstanding as at the year end is ₹.19,736 (₹ in '000) (Previous year ₹.21,305.07 (₹ in '000))

28 **Other Current Liabilities : Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Income Received in advance	457	433
Others		
Statutory dues	12,253	10,599
Liability towards CSR (Refer Note 48)	135	-
Other Liabilities	1,094	32
Deferred Portion of Security Deposit	434	-
Employee Benefits	338	985
Total	**14,711**	**12,049**

29 **Provisions : Current**

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Provision for employee benefits :		
Gratuity - (Refer Note 43)	1,811	762
Leave Encashment	365	83
Total	**2,176**	**845**

MSKA & ASSOCIATES Chartered Accountants

Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements :

30 Revenue from Operations

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
A) Stock Broking and Allied Services	2,75,099	3,21,019
B) Advisory Income		
- Domestic	2,825	15,654
C) Rental Income	14,143	7,802
D) Income from ITeS Services		
- Domestic	-	323
E) Debt Recovery services	-	332
F) Talk Delta Algo (AMC Fees etc.)	-	163
G) Professional Fees Received	-	69
Total	2,92,067	3,45,362

31 Other Income

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Interest Income		
Interest on Inter Corporate Deposit	9,369	12,522
Interest on Security Deposit with clearing Corporation	9,907	10,804
Interest on Bank Deposits	10,549	7,856
Interest on Income Tax Refund	325	679
Interest on Preference Shares	-	186
Interest on Electricity Security Deposit	34	34
Deferred Income on Security Deposit	321	-
Dividend	71	0
Insurance refund / Claim	-	66
Profit on Sale on Share	-	23,908
Other Operating Income		
Profit on Sale of Investment property	-	8,961
Profit on Sale of Investments	-	1,068
Profit on Sale of Treasury Shares	14,764	2,287
Promotional Income / Professional Fees	-	1,450
Provision for Gratuity written back	-	140
Miscellaneous Income	917	85
Total	46,257	70,046

32 Employee Benefit Expenses

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Salaries ,Wages and Bonus	97,584	69,143
Contribution to PF and Other funds	5,911	3,414
Staff Welfare	919	1,141
Leave Encashment	458	133
Directors' Remuneration	7,577	4,482
Gratuity	1,996	984
Total	1,14,445	79,297

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Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

33 Finance Cost

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
a) Interest on Long Term Borrowings		
- Term Loans	42,058	38,975
- Debentures (to Related Parties) (Refer Note : 37)	8,026	1,012
- On Loans from Directors	6,378	5,859
b) Interest on Short Term Borrowings		
- Inter Corporate Deposits	14,802	9,438
- Intra day	-	-
- Cash Credit	28,464	19,721
- On Car Loan	132	71
c) Others	1,355	1,463
d) Interest on Preference Shares measured at amortised cost	-	288
e) Other Borrowing Cost		
- Loan Processing Fees	-	618
- Bank Guarantee Commission	197	590
- Guarantee Commission written off on closure (Group Company - ACMC)	-	594
- Bank Guarantee Commission	-	-
- Loan processing ,registration fee and stamp duty	148	635
-Bank Charges	155	8
Total	**1,01,715**	**79,272**

34 Net loss on fair value changes

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Net loss on financial instruments at fair value through profit or loss		
- Investments		
Preference shares	5,760	-
Total	**5,760**	**-**

35 Other Expenses

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Business Associates Expenses	1,02,475	1,36,952
Service Charges Demat	2,219	2,912
Commission paid on PMS Management Fees	6.793	6,850
Arbitrage Income Sharing expenses	4,047	9,120
Marketing Expenses	4,475	5,303
Electricity charges	2,046	2,001
Legal and Professional fees	8,452	8,390
Rates and Taxes	5,935	6,645
Membership and Subscription	4,201	3,845
Communication, Connectivity & Telephone Expenses (Net)	3,743	3,050
Conveyance and Travelling	2,313	987
Repairs and Maintenance – Building / Equipments	20,980	11,177
Repairs and Maintenance -- Other	2,211	2,280
Office Maintenance	-	42
Insurance	120	151
Leave and License Fees for Premises	999	-
Printing and Stationery (Net)	66	15
Loss on sale of investment	4,461	-
Directors sitting fees	345	375
Auditors' remuneration:-		
Audit fees	2,445	2,060
Tax Audit	125	125
Other Services	367	397
Listing Fees Stock Exchange	467	325
Brokerage /Commission	1,130	70
Stamp Duty	12	856
Data Processing Chgs (Vendors)	-	156
Corporate and Social Responsibilty (CSR) (Refer Note 48)	135	-
Staff Recruitment Expenses	260	-
Transaction Clearing Charges	1,764	1,758
Bad Debts Written off - Provision	1,317	1,395
Baddebts Written Off	3,472	
Misc Balances Written Off	-	228
Miscellaneous Expenses	16,827	16,740
Total	**2,04,202**	**2,24,205**

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Asit C. Mehta Financial Services Ltd. * Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements :

Note 36:
Contingent Liabilities and Commitments

(₹ in '000)

	Particulars	As on March 31, 2023	As on March 31, 2022
A.	**Contingent Liabilities**		
a.	**Claims against the Company/ disputed liabilities not acknowledged as debts**		
i.	Income-tax matters under appeal (AY 16-17) (Refer Note 3)	590	590
ii.	Service Tax matters under appeal (Refer Note 2)	10,198	10,198
iii.	FEMA matter (Refer Note 1)	16,186	16,186
iv.	Income-tax matters under appeal (AY 17-18) (Refer Notes- 4)	11,676	11,676
v.	Disputed Claims against the Group Company not provided for	1,041	1,041
vi.	Disputed tax demanded under various assessment proceedings due to disallowance of various expenses, tax rebates, etc and contested by the Company at appellate authorities (Refer Notes -8)	19,758	19,758
vii.	Income-tax matters under appeal (AY 10-11)	20	20
viii.	Interest on Escrow Deposit (Refer Note 5)	8,506	8,506
ix.	SEBI Penalty (Refer Note 6 and 7)	2,850	1,350
		70,825	69,325
B.	**Guarantee given (Refer Note 1)**	**16,186**	**16,186**

Note:

1 The Company received pay orders valuing to ₹. 5,072 (₹. in '000) from customers in the financial year 1994-95 in respect of Money Changing business. These payorders were dishonored by the issuing nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company was made a party to proceedings under the Customs Act 1962 and the proceeds were sought to be forfeited by the DRI and Customs Department. The Collector of Customs levied a penalty on the Company and its Branch managers under the proceedings. The Company had challenged the award before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT) . CEGAT struck down the order acquitting the company and ruled in favour of the Company ordering the Customs Department to release the consideration of the aforesaid sum. The Customs department preferred an appeal in High Court of Mumbai . Ho. Mumbai High Court ordered the Customs Department to release the sum as per the CEGAT order. The Customs Department appealed in the Supreme Court pleading that it will be filing a reference petition soon in Mumbai High Court. The Supreme Court ordered the Customs Department by way of an interim order to release the sum against a bank guarantee of equivalent sum .The company has furnished the required bank guarantee.. The Customs Department has since filed a reference petition before the Hon'ble High Court of Judicature at Bombay and the same is still pending for disposal.

During 1994-95, proceedings were initiated against the Company by the Department of Revenue and Intelligence. under Foreign Exchange Regulations Act, 1973 for the same allegations . FERA was abolished in the year 2000., and sunset clause applied till 2007-2008. The proceedings were decided just before the sunset clause of FERA. In 2007-2008, the Company received an order from the office of the Special Directorate of Enforcement holding Company guilty in respect of defiance with the instructions contained in the FLM Memorandum and imposing a penalty of ₹.16,186 (₹ in '000). The Company contends that it had always complied with the relevant regulations of the Reserve Bank of India as contained in FLM – Memorandum of Instructions to Full-Fledged Money Changers. The Company has filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order, which is still pending.

2 The Service Tax Department had raised a demand of ₹ 10,197.58 (₹ in '000), reflected above in contingent liability, by passing an Ex parte order dated 11th April 2008. The Company's appeal against this order was dismissed by Commissioner (Appeals). Against this order the Company has filed appeal before CESTAT Mumbai. The management, based on expert's advice, is confident that the demand is not sustainable and hence no provision for the same is made in the books of account.

3 The Company had received assessment order for financial year 2015-16 (Assessment year 2016-17) raising demand of ₹ 589.87 (₹ in '000). The said demand had arisen on account of disallowance of part of business expenditure by treating expenditure against house property income. The Company has deposited ₹ 118.00 (₹ in '000) against the said demand and had filed an appeal against the same. The Department has adjusted pending refund for previous years Amounting to ₹. 425.54 (₹ in '000) of A.Y. 2018-19 and ₹ 72.28 (₹ in '000) of AY 2017-18 against the said demand.

4 The Company had received assessment order for financial year 2016-17 (Assessment year 2017-18) raising demand of ₹ 11,676.02 (₹ in '000). The said demand had arisen on account of disallowance of part of business expenditure by treating expenditure against house property income. The Company has deposited ₹ 1,215.00 (₹ in '000) against the said demand and had filed an appeal against the same.

5 The subsidiary company Asit C Mehta Investment Interrmediates limited of group entered into agreement with Real Gold LLP (Purchaser) and Kohinoor Planet Construction Pvt Ltd.(seller) on 28.03.2018 becoming Escrow Agent for the deal.
As per Agreement, Purchaser has kept deposit with Escrow Agent (i.e. Company) of ₹ 46,500 (₹ in '000) as Escrow deposit. As per Agreement, it was decided to handover the Escrow Deposit to either Purchaser or seller based on outcome of deal as mentioned in Point no. 4.1 of the agreement. It was also decided as per Point no. 4.7 of the agreement that Escrow agent May keep the Escrow deposit in Fixed deposit form with Nationalized Bank. And interest if any will be passed on to either party on closure of the deal.
It was discretionary for the subsidiary Company so subsidiary Company has kept the Money in bank only and not in Fixed Deposit form.
During the Year the company has repaid ₹ 46,500 (₹ in '000) from escrow account However interest is not paid and hence shown as contingent liability of ₹ 8,506.44 (₹. in '000) (P.Y Rs. 8,506.44) (₹ in '000)

MSKA & ASSOCIATES Chartered Accountants

Asit C. Mehta Financial Services Ltd. Mumbai

ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

6 During the financial Year 20-21, SEBI had Imposed Penalty of ₹. 27 Lacs for Certain alleged Non Compliance observed during inspection for Period 01-07-2017 to 31-07-2018. However Company has Filed Appeal to the Securities Appellate Tribunal, Mumbai for Above mentioned Penalty and Appeal is rejected by Hon'ble Tribunal. The Company has filed appeal in Hon'ble supreme Court against the aforesaid order of the Hon'ble Tribunal. The Company has deposited ₹. 13 Lacs as deposit as per SAT order

7 During the current financial Year SEBI had Imposed Penalty of ₹. 15 Lacs for Certain alleged Non Compliance observed during inspection for Period 01-07-2019 to 03-09-2020. However the Company has Filed an Appeal to the Securities Appellate Tribunal, Mumbai, against the above mentioned Penalty.

8 The subsidiary Company Asit C Mehta Investment Interrmediates Limited had received assessment order for financial year 2014-15 (Assessment year 2015-16) and financial year 2016-17(Assessment year 2017-18) raising demand of Rs. 17,186.01/-(in 000) and Rs. 7,509.51/-(in 000). The said demand had arisen on account of disallowance of part of business expenditure by treating expenditure against Business Associates Expenses . The Company has deposited Rs. 2,500/-(in 000) and Rs. 1,502/-(in 000)against the said demand and had filed an appeal against the same. The Department has adjusted pending Refund for Previous years Amounting to Rs. 932.40/-(in 000) of A.Y. 2019-20 against the said demand.

9 In respect of items above, it is not possible for the company to estimate the timings of cash outflows which would be determinable only on receipt of judgments pending at various forums/authorities.

10 The management, based on the expert's advice, is confident that the said tax demands are not sustainable and hence no provision for the same is made in the books of account.

11 The company does not expect any reimbursement in respect of above contingent liabilities.

B Commitments

(₹ in '000)

	As on March 31, 2023	As on March 31, 2022
Commitments	Nil	Nil

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements :

Note 37:
Disclosures of transactions with related parties required under Ind AS 24 on "Related Party Disclosures"
In accordance with the requirements of Ind AS - 24 'Related Party Disclosures', names of the related parties, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods are:

A. List of Related Parties with whom transactions have taken place during the Year / Previous Year

(I) **Key Management Personnel (KMP)**

Mr. Asit C Mehta	:- Chairman and Director
Mrs. Deena A. Mehta	:- Non-Executive Director
Mr. Kirit Vora	:- Non-Executive Director
Mr. Binoy Dharod	:- Chief Financial Officer (From 1st September, 2022)
Ms. Khushboo Hanswal	:- Company Secretary (From 13th February, 2023)
Ms. Gauri Gokhale	:- Company Secretary (From 27th May, 2022 Upto 21st October, 2022)
Mr. Sumit Sharma	:- Company Secretary and Compliance officer (Upto 16th May, 2022)

(II) **Relatives of Key Management Personnel (KMP)**

Mr. Chimanlal Mehta	:- Father of Chairman
Mr. Jayesh Desai	:- Brother of Non Executive Director

(III) **Relatives of Key Management Personnel (KMP)**

Mr Aditya A Mehta : - Son of Chairman

(iv) **Related parties where significant influence exists and Group Company:**

Asit C Mehta Commodity Services Limited
Cliqtraders Stockbrokers Private Limited
Pantomath capital advisors private limited

B. Transactions With Related Parties

(₹ in '000)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Rental Income		
i.	Asit C Mehta Commodity Services Limited	120	120
	Interest Received		
i.	Asit C Mehta Commodity Services Limited	5,053	3,677
	Rental Expenses		
i.	Mr. Asit C Mehta	120	720
ii.	Mrs. Deena A. Mehta	120	840
	Interest Paid on Loan		
i.	Mr. Asit C Mehta	3,131	4,156
ii	Mrs. Deena A. Mehta	3,386	2,089
iii.	Asit C Mehta Commodity Services Limited	-	343
iv	Cliqtrade Stockbrokers Private Limited	2,572	-
	Share Capital Money Paid		
i.	Mr. Aakash A Mehta	-	1,620
ii.	Mr. Aditya A Mehta	-	1,395
iii.	Mr. Asit C Mehta	-	879
iv.	Mrs. Deena A. Mehta	-	388
v.	Mrs. Prachi Mehta	-	225
	Share Capital Money Received (including Share Premium)		
i.	Jayesh Desai	-	1,500
	Professional Fees Received		
i.	Mr. Aakash A. Mehta	-	1,450
	Arbitrage share / Brokerage paid -		
i.	Asit C Mehta Commodity Services Limited	261	418
	Reimbursement of Expenses		
i.	Asit C Mehta Commodity Services Limited	-	86
ii.	Mr. Asit C Mehta	203	316
iii	Mrs. Deena A. Mehta	506	823
iv.	Mr. Pankaj Parmar	-	25
	Guarantee Commission written off on closure (Group Company)		
i.	Asit C Mehta Commodity Services Limited	-	594
	Interest paid on Debentures		
i.	Mr. Asit C Mehta	2,499	315
ii.	Mrs. Deena A. Mehta	4,749	598
iii.	Asit C Mehta Commodity Services Limited	779	98
iv.	Mr. Chimanlal Mehta	0	0
v.	Mr. Jayesh Desai	0	0
	Remuneration to KMP		
i.	Mr. Asit C Mehta	2,160	2,160
ii.	Mr. Kirit Vora	2,322	2,160
iii.	Mr. Pankaj Parmar	4,864	2,882
iv.	Mr. Binoy Dharod	497	-
v.	Ms. Khushboo Hanswal	313	-
vi.	Mr. Ashok Gupta	-	1,314
vii.	Mr. Sumit Sharma	27	91

MSKA & ASSOCIATES Chartered Accountants

Asit C. Mehta Financial Services Ltd. Mumbai

	Particulars	For the year ended - March 31, 2023	For the year ended March 31, 2022
	Sitting Fees to KMP		
i.	Mr. Asit C Mehta	40	60
ii.	Mrs. Deena A. Mehta	50	60
iii.	Mr. Kirit Vora	70	85
	Loan Received		
i.	Mrs. Deena A. Mehta	81,320	49,925
ii.	Mr. Asit C. Mehta	1,000	1,25,980
iii.	Asit C Mehta Commodity Services Limited	-	40,000
iv.	Cliqtraders Stockbrokers Private Limited	2,34,000	-
	Loan Repaid		
i.	Mrs. Deena A. Mehta	16,700	54,450
ii.	Mr. Asit C. Mehta	10,400	93,825
iii.	Asit C Mehta Commodity Services Limited	-	40,000
	Loan Given		
i	Asit C Mehta Commodity Services Limited	98,730	2,27,081
ii.	Mr. Sumit Sharma	-	25
	Loan Repayment Received		
i	Asit C Mehta Commodity Services Limited	1,26,852	1,98,959
ii.	Mr. Sumit Sharma	25	-
	Deposit Received back		
i.	Deposit for Premises received back from Director - Mrs. Deena A. Mehta and Asit C. Mehta	-	43,000
	Deposit Paid back		
i.	Asit C Mehta Commodity Services Limited	1,500	-
	Acquisition of Further stake in Equity Shares of ACMIIL (for 2,00,656 Rs. In '000') through Allotment of Unsecured Redeemable NCD		
i.	Mr. Asit C. Mehta	-	1,18,713
ii.	Mrs. Deena A. Mehta	-	62,476
iii	Asit C Mehta Commodity Services Limited	-	19,465
v.	Mr. Jayesh Desai	-	1
vi.	Others (Non Related)	-	1
	Sale of Investment Property (immovable)		
i	Mr. Asit C. Mehta	-	48,000

C. Outstanding Balances

(₹ In '000)

	Particulars	As on March 31, 2023	As on March 31, 2022
	Closing balance Receivable:		
i.	Asit C Mehta Commodity Services Limited (incl Interest)	-	28
ii.	Mr. Aakash A Mehta	-	711
iii.	Sumit Sharma	-	25
	Closing Balance Payable:		
i.	Mrs. Deena A. Mehta	83,757	19,397
ii.	Mr. Aakash A Mehta	-	67
iii.	Mr. Asit C Mehta	25,093	33,479
iv.	Asit C Mehta Commodity Services Limited	-	76
v.	Mr. Asit C Mehta (Reimbursement)	-	480
vi.	Cliqtraders Stockbrokers Private Limited	2,36,314	-
	Property Deposit Payable		
i.	Asit C Mehta Commodity Services Limited	-	1,500

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances on account of trade receivable, trade payable, other receivable, other payable and interest receivable on loan at the year end are unsecured and settlement occurs in cash. There have been no guarantees provided or received in respect of outstanding receivables or payables from/to any related party. This assessment is undertaken in each financial year through

Note 38:

Earnings Per Share (EPS)

(₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to Equity Shareholders (` in '000)	(93,125)	14,633
Number of Equity Shares at the beginning of the year	48,47,377	48,33,575
Add:- Treasury Shares disposed during the year	1,05,183	13,802
Number of Equity Shares at the end of the year	**49,52,560**	**48,47,377**
Total Weighted Average number of Equity Shares used as denominator for calculating Diluted EPS	48,87,145	48,33,613
Face Value per Equity Share	**10.00**	**10.00**
Basic and Diluted Earnings per Share	**(19.06)**	**3.03**

MSKA & ASSOCIATES Chartered Accountants

Asit C. Mehta Financial Services Ltd. Mumbai

Note 39:

Disclosure required under Section 186(4) of the Companies Act, 2013 for Loans, Security provided and Investments :

(₹ in '000)

	Nature of the transaction	Rate of Interest	Due Date	Secured/ unsecured	Purpose of Loan	As on March 31, 2023	As on March 31, 2022
1	**Inter Corporate deposits and Loans (Unsecured)**						
	Chargein Kiosk Private Limited	15%	Repayable on demand	Unsecured	Business Purpose	5,000	4,475
	Algo IQ Software Solution Private Limited	11%	Repayable on demand	Unsecured	Business Purpose	3,501	62,762
	Pentation Analytics Private Limited	11.5%	Repayable on demand	Unsecured	Business Purpose	4,816	2,620
	Ladder 2 Rise Private Limited	15%	Repayable on demand	Unsecured	Business Purpose	142	599
	Asit C. Mehta Commodity Services Limited	11%	Repayable on demand	Unsecured	Business Purpose	-	28,122
	Ashrit Holdings Limited	11%	Repayable on demand	Unsecured	Business Purpose	-	50,014
	Kipa Scientific Private Limited	11%	Repayable on demand	Unsecured	Business Purpose	-	50,014
	Phase Holdings Private Limited	11%	Repayable on demand	Unsecured	Business Purpose	-	25,007
2	**Investments** For details refer note 4 to the Notes to Financial Statements						

Note 40:

Additional Regulatory Information:

Utilisation of Borrowed Fund and Share Premium during the year:

The Holding Company in the ordinary course of business advanced,loaned and made investments on its own account, in equities, resulting into increasing its stake in one of its subsidiaries and a new subsidiary during the year.The Holding Company has also provided Guarantees and Securities on behalf of its one of the subsidiaries to fulfill the conditions of sanction from the said subsidiary's Bankers. Except for the the same to the best of its knowledge & belief, no funds, of material in nature have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Note 41:

Lease

Rental Income Related to operating leases:

(₹ in '000)

	Particulars	As on March 31, 2023	As on March 31, 2022
i	Rental Income recognised in Statement of Profit and Loss for the year	14,143	7,802
Total		14,143	7,802

The Holding Company has, inter alia, leased some of its immovable property to two of its subsidiaries, that is leased to entities within the Group and therefore, in terms of the relevant provisions of Ind AS 40 on 'Investment Property' such leased immovable property to the extent so leased, would not be regarded as Investment Property from the perspective of the Group, being in nature of "owner occupied property" as so defined in the said Ind AS and accordingly, such immovable property needs to be presented as Property, Plant & Equipment ("PPE") in consolidated financial statements ("CFS") of the Group. However, it is not practicable or possible to ascertain or find out the cost or deemed cost of such immovable leased property for presenting as PPE in CFS. In view of this, in CFS, the Group has not separately presented the amount pertaining to such leased immovable property as PPE and has continued to disclose under Investment Property only.

(₹ in '000)

	Particulars	As on March 31, 2023	As on March 31, 2022
i	Lease rental Income Total of lease rent Income for a period :		
	Not later than one year	17,523	5,064
	Later than one year but not later than five years	52,590	16,645
	Later than five years	-	-
Total		70,113	21,709

MSKA & ASSOCIATES Chartered Accountants

Asit C. Mehta Financial Services Ltd. Mumbai

Asit C. Mehta Financial Services Limited
Notes to Financial Statements :

Note 42:
Additional Regulatory Information :
Receipt Of Fund From Any Persons And Entities And Use Thereof For Lending, Investments, Etc. During The Year :
Fund Movement of Borrowings and Loans & Advances - Rule 11(e) & 11(f) of the Companies Rules, 2014

Advances given | Further Advances Given | (₹ in '000)

Date	Name of the Entity	Amount	Date	Name of the Entity	Amount
27.06.2022	Edgytal Fintech Investment Services Pvt. Ltd	2,000	30.06.2022	Asit C Mehta Investment Interrmediates Limited	2,000
21.02.2023	Edgytal Fintech Investment Services Pvt. Ltd	42,500	21.02.2023	Asit C Mehta Investment Interrmediates Limited	41,500
28.03.2023	Edgytal Fintech Investment Services Pvt. Ltd	2,300	28.03.2023	Asit C Mehta Investment Interrmediates Limited	2,000
31.03.2023	Edgytal Fintech Investment Services Pvt. Ltd	4,500	31.03.2023	Asit C Mehta Investment Interrmediates Limited	4,500
04.05.2022	Nucleus IT Enabled Services Limited	1,000	04.05.2022	Asit C Mehta Investment Interrmediates Limited	1,000
14.09.2022	Nucleus IT Enabled Services Limited	50,000	14.09.2022	Asit C Mehta Investment Interrmediates Limited	50,000
20.09.2022	Nucleus IT Enabled Services Limited	20,000	20.09.2022	Asit C Mehta Investment Interrmediates Limited	20,000
21.09.2022	Nucleus IT Enabled Services Limited	20,000	21.09.2022	Asit C Mehta Investment Interrmediates Limited	20,000
22.09.2022	Nucleus IT Enabled Services Limited	3,000	22.09.2022	Asit C Mehta Investment Interrmediates Limited	2,800
26.09.2022	Nucleus IT Enabled Services Limited	50,000	26.09.2022	Asit C Mehta Investment Interrmediates Limited	50,000
27.09.2022	Nucleus IT Enabled Services Limited	25,000	27.09.2022	Asit C Mehta Investment Interrmediates Limited	25,000
28.09.2022	Nucleus IT Enabled Services Limited	1,000	28.09.2022	Asit C Mehta Investment Interrmediates Limited	1,000
10.10.2022	Nucleus IT Enabled Services Limited	1,000	10.10.2022	Asit C Mehta Investment Interrmediates Limited	1,000
11.10.2022	Nucleus IT Enabled Services Limited	5,000	11.10.2022	Asit C Mehta Investment Interrmediates Limited	5,000
19.10.2022	Algoiq Software Solutions Private Limited	25,000	19.10.2022	Asit C Mehta Investment Interrmediates Limited	25,000
16.11.2022	Nucleus IT Enabled Services Limited	12,000	16.11.2022	Asit C Mehta Investment Interrmediates Limited	12,000
21.02.2023	Nucleus IT Enabled Services Limited	85,650	21.02.2023	Asit C Mehta Investment Interrmediates Limited	85,650

Fund Movement of Borrowings and Loans & Advances - Rule 11 (e) (ii) & 11(f) of the Companies Rules, 2014

Receipt | Payment | (₹ in '000)

Date	Name of the Entity	Amount	Date	Name of the Entity	Amount
05.04.2022	Deena Mehta	5,000	06.04.2022	Nucleus IT Enabled Services Limited	5,000
27.04.2022	Nucleus IT Enabled Services Limited	600	27.04.2022	Deena Mehta	200
			28.04.2022	Deena Mehta	200
04.05.2022	Deena Mehta	1,500	04.05.2022	Nucleus IT Enabled Services Limited	1,000
			06.05.2022	Edgytal Fintech Investment Services Pvt Ltd	200
17.05.2022	Nucleus IT Enabled Services Limited	600	17.05.2022	Deena Mehta	600
25.05.2022	Nucleus IT Enabled Services Limited	100	25.05.2022	Deena Mehta	100
27.06.2022	Nucleus IT Enabled Services Limited	8,000	27.06.2022	Edgytal Fintech Investment Services Pvt Ltd	2,000
10.08.2022	Edgytal Fintech Investment Services Pvt Ltd	1,000	10.08.2022	Deena Mehta	1,000
29.08.2022	Edgytal Fintech Investment Services Pvt Ltd	1,000	29.08.2022	Deena Mehta	1,000
05.09.2022	Edgytal Fintech Investment Services Pvt Ltd	500	07.09.2022	Deena Mehta	500
14.09.2022	Pantomath Finance Private Limited	50,000	14.09.2022	Nucleus IT Enabled Services Limited	50,000
19.09.2022	Pantomath Finance Private Limited	20,000	20.09.2022	Nucleus IT Enabled Services Limited	20,000
20.09.2022	Pantomath Finance Private Limited	20,000	21.09.2022	Nucleus IT Enabled Services Limited	20,000
26.09.2022	Pantomath Finance Private Limited	50,000	26.09.2022	Nucleus IT Enabled Services Limited	50,000
27.09.2022	Algoiq Software Solutions Private Limited	25,000	27.09.2022	Nucleus IT Enabled Services Limited	25,000
28.09.2022	Deena Mehta	1,000	28.09.2022	Nucleus IT Enabled Services Limited	1,000
10.10.2022	Deena Mehta	5,000	11.10.2022	Nucleus IT Enabled Services Limited	5,000
18.10.2022	Nucleus IT Enabled Services Limited	8,000	18.10.2022	Deena Mehta	8,000
19.10.2022	Nucleus IT Enabled Services Limited	25,000	19.10.2022	Algoiq Software Solutions Private Limited	25,000
20.10.2022	Nucleus IT Enabled Services Limited	30,000	20.10.2022	Pantomath Finance Private Limited	30,000
14.11.2022	Nucleus IT Enabled Services Limited	2,500	14.11.2022	Deena Mehta	1,700
21.11.2022	Nucleus IT Enabled Services Limited	15,000	21.11.2022	Pantomath Finance Private Limited	15,000
21.11.2022	Nucleus IT Enabled Services Limited	5,000	21.11.2022	Pantomath Finance Private Limited	5,000
15.12.2022	Nucleus IT Enabled Services Limited	5,000	15.12.2022	Deena Mehta	5,000
20.02.2023	Cliqtrade Stock Brokers Private Limited	1,20,000	20.02.2023	Pantomath Finance Private Limited	1,20,000
21.02.2023	Cliqtrade Stock Brokers Private Limited	95,000	21.02.2023	Pantomath Finance Private Limited	20,000
			21.02.2023	Nucleus IT Enabled Services Limited	72,500
21.02.2023	Deena Mehta	55,500	21.02.2023	Edgytal Fintech Investment Services Pvt Ltd	57,500
15.03.2023	Edgytal Fintech Investment Services Pvt Ltd	1,000	15.03.2023	Deena Mehta	1,000
21.03.2023	Edgytal Fintech Investment Services Pvt Ltd	500	21.03.2023	Deena Mehta	500
22.03.2023	Edgytal Fintech Investment Services Pvt Ltd	300	22.03.2023	Deena Mehta	300
31.03.2023	Cliqtrade Stock Brokers Private Limited	4,000	31.03.2023	Edgytal Fintech Investment Services Pvt Ltd	4,000

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From books of Asit C. Mehta Investment Interrmediates Ltd.

Advances given | **Further Advances Given** | (₹ in '000)

Date	Name of the Entity	Amount	Date	Name of the Entity	Amount
01.07.2022	Edgytal Fintech Investment Services Pvt Ltd	2,000	01.07.2022	Asit C Mehta Financial Services Limited	1,500
14.07.2022	Edgytal Fintech Investment Services Pvt Ltd	3,000	14.07.2022	Asit C Mehta Financial Services Limited	2,300
		-	28.07.2022	Asit C Mehta Financial Services Limited	200
25.07.2022	Edgytal Fintech Investment Services Pvt Ltd	1,000	25.07.2022	Asit C Mehta Financial Services Limited	1,000
05.08.2022	Edgytal Fintech Investment Services Pvt Ltd	500	05.08.2022	Asit C Mehta Financial Services Limited	500
10.08.2022	Edgytal Fintech Investment Services Pvt Ltd	1,000	10.08.2022	Asit C Mehta Financial Services Limited	1,000
11.08.2022	Edgytal Fintech Investment Services Pvt Ltd	2,000	10.08.2022	Asit C Mehta Financial Services Limited	1,900
29.08.2022	Edgytal Fintech Investment Services Pvt Ltd	1,000	29.08.2022	Asit C Mehta Financial Services Limited	1,000
05.09.2022	Edgytal Fintech Investment Services Pvt Ltd	2,000	05.09.2022	Asit C Mehta Financial Services Limited	500
14.09.2022	Edgytal Fintech Investment Services Pvt Ltd	2,000	14.09.2022	Asit C Mehta Financial Services Limited	1,500
18.10.2022	Edgytal Fintech Investment Services Pvt Ltd	30,000	18.10.2022	Algo IQ Software Solution Private Limited	30,000
03.03.2023	Edgytal Fintech Investment Services Pvt Ltd	2,500	08.03.2023	Asit C Mehta Financial Services Limited	500
14.03.2023	Edgytal Fintech Investment Services Pvt Ltd	2,500	14.03.2023	Asit C Mehta Financial Services Limited	3,500
15.03.2023	Edgytal Fintech Investment Services Pvt Ltd	1,500	15.03.2023	Asit C Mehta Financial Services Limited	1,000
20.03.2023	Edgytal Fintech Investment Services Pvt Ltd	1,000	20.03.2023	Asit C Mehta Financial Services Limited	800
21.03.2023	Edgytal Fintech Investment Services Pvt Ltd	500	21.03.2023	Asit C Mehta Financial Services Limited	500
		-	22.03.2023	Asit C Mehta Financial Services Limited	300
06.04.2022	Nucleus IT Enabled Services Limited	92,000	06.04.2022	Asit C Mehta Financial Services Limited	42,000
		-	06.04.2022	Fortune Credit Capital Limited	50,000
07.04.2022	Nucleus IT Enabled Services Limited	50,000	07.04.2022	Asit C Mehta Financial Services Limited	50,000
11.04.2022	Nucleus IT Enabled Services Limited	20,000	11.04.2022	Midland Leisure and Entertainments Private Limited	20,000
11.04.2022	Nucleus IT Enabled Services Limited	200	11.04.2022	Asit C Mehta Financial Services Limited	100
13.04.2022	Nucleus IT Enabled Services Limited	2,300	13.04.2022	Asit C Mehta Financial Services Limited	2,300
20.04.2022	Nucleus IT Enabled Services Limited	500	20.04.2022	Asit C Mehta Financial Services Limited	500
25.04.2022	Nucleus IT Enabled Services Limited	1,500	25.04.2022	Asit C Mehta Financial Services Limited	1,300
27.04.2022	Nucleus IT Enabled Services Limited	1,500	27.04.2022	Asit C Mehta Financial Services Limited	600
		-	28.04.2022	Asit C Mehta Financial Services Limited	150
		-	29.04.2022	Asit C Mehta Financial Services Limited	700
27.04.2022	Nucleus IT Enabled Services Limited	500	13.05.2022	Asit C Mehta Financial Services Limited	1,200
29.04.2022	Nucleus IT Enabled Services Limited	700			
15.05.2022	Nucleus IT Enabled Services Limited	1,300	16.05.2022	Asit C Mehta Financial Services Limited	50
17.05.2022	Nucleus IT Enabled Services Limited	600	17.05.2022	Asit C Mehta Financial Services Limited	600
19.05.2022	Nucleus IT Enabled Services Limited	300	19.05.2022	Asit C Mehta Financial Services Limited	300
25.05.2022	Nucleus IT Enabled Services Limited	150	25.05.2022	Asit C Mehta Financial Services Limited	100
31.05.2022	Nucleus IT Enabled Services Limited	200	31.05.2022	Asit C Mehta Financial Services Limited	150
06.06.2022	Nucleus IT Enabled Services Limited	25,000	06.06.2022	Phase Holdings Private Limited	25,000
27.06.2022	Nucleus IT Enabled Services Limited	10,000	27.06.2022	Asit C Mehta Financial Services Limited	9,000
28.06.2022	Nucleus IT Enabled Services Limited	10,000	27.06.2022	Asit C Mehta Financial Services Limited	10,000
19.09.2022	Nucleus IT Enabled Services Limited	300	19.03.2022	Asit C Mehta Financial Services Limited	150
28.09.2022	Nucleus IT Enabled Services Limited	2,500	28.09.2022	Asit C Mehta Financial Services Limited	2,000
06.10.2022	Nucleus IT Enabled Services Limited	700	06.10.2022	Asit C Mehta Financial Services Limited	800
		-	12.10.2022	Asit C Mehta Financial Services Limited	50
18.10.2022	Nucleus IT Enabled Services Limited	1,000	18.10.2022	Asit C Mehta Financial Services Limited	900
		-	14.12.2022	Asit C Mehta Financial Services Limited	100
18.10.2022	Nucleus IT Enabled Services Limited	8,000	18.10.2022	Asit C Mehta Financial Services Limited	8,000
19.10.2022	Nucleus IT Enabled Services Limited	25,000	19.10.2022	Asit C Mehta Financial Services Limited	25,000
20.10.2022	Nucleus IT Enabled Services Limited	30,000	20.10.2022	Asit C Mehta Financial Services Limited	30,000
14.11.2022	Nucleus IT Enabled Services Limited	2,500	14.11.2022	Asit C Mehta Financial Services Limited	2,500
21.11.2022	Nucleus IT Enabled Services Limited	20,000	21.11.2022	Asit C Mehta Financial Services Limited	20,000
05.12.2022	Nucleus IT Enabled Services Limited	1,000	05.12.2022	Pentation Analytics Private Limited	1,000
14.12.2022	Nucleus IT Enabled Services Limited	2,100	14.12.2022	Asit C Mehta Financial Services Limited	2,100
15.12.2022	Nucleus IT Enabled Services Limited	5,000	15.12.2022	Asit C Mehta Financial Services Limited	5,000
20.12.2022	Nucleus IT Enabled Services Limited	500	20.12.2022	Asit C Mehta Financial Services Limited	500
30.12.2022	Nucleus IT Enabled Services Limited	2,200	30.12.2022	Asit C Mehta Financial Services Limited	1,800
04.01.2023	Nucleus IT Enabled Services Limited	600	04.01.2023	Asit C Mehta Financial Services Limited	600
13.01.2023	Nucleus IT Enabled Services Limited	3,000	13.01.2023	Asit C Mehta Financial Services Limited	2,800
		-	20.01.2023	Pentation Analytics Private Limited	400
01.02.2023	Nucleus IT Enabled Services Limited	500	01.02.2023	Asit C Mehta Financial Services Limited	500
07.02.2023	Nucleus IT Enabled Services Limited	200	07.02.2023	Asit C Mehta Financial Services Limited	200
14.02.2023	Nucleus IT Enabled Services Limited	2,400	14.02.2023	Asit C Mehta Financial Services Limited	2,300
		-	16.02.2023	Asit C Menta Financial Services Limited	100
17.02.2023	Nucleus IT Enabled Services Limited	700	17.02.2023	Asit C Mehta Financial Services Limited	700
07.04.2022	Asit C Mehta Commodity Services Limited	50,000	07.04.2022	Kipa Scientific Private Limited	50,000
29.09.2022	Midland Leisure and Entertainments Private Limite	35,000	30.09.2022	Asit C Mehta Commodity Services Limited	35,000
13.12.2022	Asit C Mehta Commodity Services Limited	35,700	13.12.2022	Midland Leisure and Entertainments Private Limited	35,000
27.09.2022	Algo IQ Software Solution Private Limited	25,000	27.09.2022	Asit C Mehta Financial Services Limited	25,000
28.09.2022	Algo IQ Software Solution Private Limited	30,000	28.09.2022	Edgytal Fintech Investment Services Private Limited	30,000
31.03.2023	Algo IQ Software Solution Private Limited	3,500	31.03.2023	Edgytal Fintech Investment Services Pvt Ltd	3,500

From books of Edgytal Fintech Investment Services Private Limited

Advances given | **Further Advances Given** | (₹ in '000)

Date	Name of the Entity	Amount	Date	Name of the Entity	Amount
25.07.2022	Asit C Mehta Financial Services Limited	1,000	28.07.2022	Deena A Mehta	500
10.08.2022	Asit C Mehta Financial Services Limited	1,000	10.08.2022	Deena A Mehta	1,000
29.08.2022	Asit C Mehta Financial Services Limited	1,000	29.08.2022	Deena A Mehta	500
			29.08.2022	Asit C Mehta	500
05.09.2022	Asit C Mehta Financial Services Limited	500	07.09.2022	Asit C Mehta	500
21.03.2023	Asit C Mehta Financial Services Limited	500	21.03.2023	Asit C Mehta	500
22.03.2023	Asit C Mehta Financial Services Limited	300	22.03.2023	Asit C Mehta	300

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Note 43:
Employee Benefits
The Group has classified various employee benefits as under:

A. **Defined Contribution Plans**
Provident Fund
The Provident Fund are operated by the Regional Provident Fund Commissioner. Under the schemes, the Group is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognised by the Income Tax Authorities.

The Group has recognised the following amounts in the Statement of Profit and Loss: (₹ in '000)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contribution to Provident Fund	5,933	3,068
Employer's contribution to ESIC	234	346
TOTAL	6,167	3,414

B. **Defined Benefit Plans**
Gratuity
Valuations in respect of above have been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

Particulars	Valuation as on	
	March 31,2023	March 31,2022
Mortality	IALM (2012-14) Table	
Discount Rate (per annum)	7.50%	6.95%
Rate of increase in Compensation levels (per annum)	5.00%	5.00%
Attrition Rate	0.8% for all ages	0.8% for all ages
Retirement Age	58 years	58 years

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimate of future salary increases considered, takes into account the inflation, seniority, promotion, increments and other relevant factors.

Note on other risks:
Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest Risk –A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary risk -The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

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Notes forming part of the Consolidated Financial Statements :

(₹ in '000)

Particulars	Year ended March 31, 2023 Gratuity funded	Year ended March 31, 2022 Gratuity funded	Year ended March 31, 2023 Gratuity unfunded	Year ended March 31, 2022 Gratuity unfunded
i. Changes in Present value of Obligation				
Present value of defined benefit obligation at the beginning of the year	17,125	16,954	7	4
Transfer in(out) obligation	(562)	-	-	-
Current Service Cost	1,771	1,862	776	4
Interest Cost	1,028	971	1	0
Components of actuarial gain/losses on obligations:				
Due to Change in financial assumptions	(421)	(808)	(0)	(1)
Due to change in demographic assumption	287	-	-	-
Due to experience adjustments	1,568	(881)	(10)	(1)
Benefits Paid	(864)	(973)	-	-
Present value of defined benefit obligation at the end of the year	**19,932**	**17,125**	**773**	**7**
ii. Fair value of Plan Assets				
Fair value of plan assets at the beginning of the year	15,800	14,270	-	-
Adjustment to Opening Fair Value of Plan Assets	-	-		
Interest Income	1,017	853	-	-
Return on plan assets excluding amounts included in interest income	(338)	(349)	-	-
Employer's Contributions	1,520	2,000	-	-
Benefits Paid	(864)	(973)	-	-
Fair value of plan assets at the end of the year	**17,135**	**15,800**	**-**	**-**
iii. Amount to be recognised in the Balance Sheet and Statement of				
Present value of defined benefit obligation at end of year	19,932	17,124	773	7
Fair Value of Plan Assets at end of the year	(17,135)	(15,800)	-	-
Net Assets/(Liability) recognised in the Balance Sheet	**2,797**	**1,324**	**773**	**7**
iv. Expenses recognised in the Statement of Profit and Loss				
Current Service Cost	1,771	1,862	776	4
Interest cost on benefit obligation (net)	11	118	1	0
Total Expenses recognised in the Statement of Profit and Loss	**1,782**	**1,980**	**776**	**4**
v. Remeasurement Effects Recognised in Other Comprehensive				
Components of actuarial gain/losses on obligations:				
- Due to Change in financial assumptions	(421)	(808)	(0)	(1)
- Due to change in demographic assumption	287	-	-	-
- Due to experience adjustments	1,568	(881)	(10)	(1)
Return on plan assets excluding amounts included in interest income	338	349	-	-
Amounts recognised in Other Comprehensive (Income) / Expense	**1,772**	**(1,339)**	**(10)**	**(2)**
vi. Movements in the Liability recognised in Balance Sheet				
Opening Net Liability	1,324	2,684	7	4
Adjustment to opening balance	(562)	-		-
Expenses as above	1,782	1,980	776	4
Contribution paid	(1,520)	(3,000)	-	-
Other Comprehensive Income (OCI)	1,772	(339)	(10)	(2)
Closing Net Liability	**2,797**	**1,324**	**773**	**7**
vii. Cash flow Projection				
Within the next 12 months (next annual reporting period)	5,531	4,103	67	0
2nd following year	1,568	391	131	0
3rd following year	1,200	594	101	0
4th following year	1,092	336	96	0
5th following year	3,556	258	89	0
Sum of Years 6 To 10	10,086	8,912	430	1
viii. Sensitivity Analysis*				
Projected Benefit Obligation on Current Assumptions				
Delta Effect of +1% Change in Rate of Discounting	18,953	15,816	752	6
Delta Effect of -1% Change in Rate of Discounting	21,018	18,647	796	8
Delta Effect of +1% Change in Rate of Salary Increase	20,852	18,343	794	8
Delta Effect of -1% Change in Rate of Salary Increase	19,105	15,937	753	6
ix. The major categories of plan assets as a percentage of total				
insurer managed funds	-	-	-	-

Note on Sensitivity Analysis

Sensitivity analysis is performed by varying a single parameter while keeping all the other parameters unchanged.

Sensitivity analys is fails to focus on the inter relationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously.

The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.

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Notes forming part of the Consolidated Financial Statements

Note : 44 Ratios

S No.	Ratio	Formula	31 March 2023		31 March 2022		Ratio as on	Ratio as on	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	31 March 2023	31 March 2022		
(a)	Current Ratio	Current Assets / Current Liabilities	7,48,051	10,11,796	8,98,268	10,57,462	0.74	0.85	-13%	
(a)	Debt-Equity Ratio	Total Debt / Shareholder's Equity	11,62,599	-11,743	10,66,163	1,00,546	(99.00)	10.60	-1034%	There is an decreases in profitability, due to decreases revenue and net margin,Resulted in net loss in current year and Higher Debt-Equity Ratio
(c)	Debt Service Coverage Ratio	Earning available for debt Service / Debt Service	13,613	3,32,692	1,10,645	1,74,185	0.04	0.64	-94%	There is an decreases in profitability due to decreases revenue and net margin, along with reduction in the debt and its repayments.
(d)	Return on Equity Ratio	Profit after tax x 100 / Average Shareholder's Equity	-93,125	44,401	14,633	1,92,956	(2.10)	0.08	-2866%	There is an Decreases in profitability due to decreases revenue and net margin and due loss on sale of investments Resulted in net loss in current year.
(e)	Inventory Turnover Ratio	Cost of Goods Sold OR Sales / Average Inventory	Not Applicable							
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	2,92,067	76,644	3,45,362	78,077	3.81	4.42	-14%	There is an Decreases net revenue (Credit Sale) but higher average trade receivables with last year, resulted in net decreases in ratio.
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Not Applicable							
(h)	Net Capital Turnover Ratio	Net Sales / Working Capital	2,92,067	-2,63,745	3,45,362	-1,59,194	(1.11)	(2.17)	-49%	There is an Decreases net Working Capital due to repayment of client fund and Refunds of Inter Corporate loans given as net Result in Decreases net Working
(i)	Net Profit Ratio	Net Profit / Net Sales	-93,125	2,92,067	14,633	3,45,362	(0.32)	0.04	-853%	There is an decreases in profitability due to decreases revenue and net margin Resulted in net loss During the yar and decrease in net profit ratio
(j)	Return on Capital Employed	EBIT / Capital Employed	-1,958	11,50,856	93,896	11,66,708	(0.00)	0.08	-102%	There is an decreases in profitability due to decreases revenue and net margin Resulted in net loss During the yar and decrease in Return on Capital Employed
(k)	Return on Investment	PBT+Finance Cost / Total Assets	-1,654	15,92,918	95,157	17,03,362	(0.00)	0.06	-102%	There is an decreases in profitability due to decreases revenue and net margin Resulted in net loss During the yar and decrease in Return on Investment

Footnote:

(i) Current Assets= Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Contract
(ii) Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Contract Liabilities+
(iii) Debt= long term borrowing and current maturities of long-term borrowings and Current Borrowing
(iv) Earning for Debt Service =Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
(v) Debt Service = Interest Loans + Principal Repayments
(vi) Capital Employed= Share Capital + Reserve and Surplus + Borrowing (Current + Non current)

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Notes forming part of the Consolidated Financial Statements :

Note 45:
Financial Instruments

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Valuation
The fair values of investment in quoted investment in equity shares is based on the current bid price of respective investment as at the Balance Sheet date.
ii. The carrying amount of financial assets and financial liabilities measured at amortised cost in the Consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Fair Value measurement hierarchy
The fair value of financial instruments as referred below have been classified into three categories depending on the inputs used in the valuation technique.
The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3

The categories used are as follows:
Level 1: Quoted prices for identical instruments in an active market;
Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs; and
Level 3: Inputs which are not based on observable market data.

The carrying amounts and fair values of financial instruments by class are as follows:

Particulars	As on March 31, 2023				As on March 31, 2022			
	Carrying Amounts	Fair Value			Carrying Amounts	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial Assets								
Measured at Amortised Cost								
Investment in Unquoted Preference shares		-	-	-	2,273	-	-	-
Loans	13,531	-	-	-	2,24,191	-	-	-
Trade Receivable	81,620	-	-	-	71,667	-	-	-
Cash and cash equivalents	1,10,558	-	-	-	1,21,015	-	-	-
Other Bank Balance	2,53,806	-	-	-	1,41,121	-	-	-
Others	3,14,024	-	-	-	3,67,926	-	-	-
	7,73,539	**-**	**-**	**-**	**9,28,193**	**-**	**-**	**-**
Measured at FVTPL								
Investment in Unquoted Preference shares	2,490	-	-	2,490	-	-	-	-
Measured at FVTOCI								
Investment in equity instruments	95,648	41,428	18	54,201	66,443	9,871	18	56,553
Investment In Mutual Fund	5,296	5,296	-	-	5,000	5,000	-	-
Total Financial Assets	**8,76,973**	**46,724**	**18**	**56,691**	**9,99,636**	**14,871**	**18**	**56,553**
Financial Liabilities								
Measured at Amortised Cost								
Borrowing	11,62,599	-	-	-	10,66,163	-	-	-
Trade Payables	3,89,812	-	-	-	4,87,563	-	-	-
Other financial liabilities	29,915	-	-	-	30,062	-	-	-
Total Financial Liabilities	**15,82,326**	**-**	**-**	**-**	**15,83,788**	**-**	**-**	**-**

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ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

Note 46:

Capital Management and Financial Risk Management Policy

A. Capital Management

For the purpose of Group's Capital Management, Capital includes issued Equity Capital and all Other Reserves attributable to the Equity shareholders of the Company. The Primary objective of the Company's Capital Management is to maximise the shareholders' value. The Group's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximise shareholder's value. The Group monitors capital using debt-equity ratio as its base, which is total debt divided by total equity.

2. Debt Equity Ratio - Total Debt divided by Total Equity (₹ in '000)

Particulars	As on March 31, 2023	As on March 31, 2022
Total Debt	11,62,599	10,66,163
Total Equity	(11,743)	1,00,546
Debt Equity Ratio	(99.00)	10.60

B. Financial Risk Management and Policies

The group financial risk management is an integral part of how to plan and execute its business strategies. The risk management policy is approved by the Company's Board. The group principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the group operations and to provide guarantees to support its operations in select instances. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and investments. The company is exposed to market risk, credit risk, liquidity risk etc. The objective of the Company's financing policy are to secure solvency, limit financial risks and optimise the cost of capital. The Company's board of directors has overall responsibility for the establishment and oversight of the Company risk management framework. The Company manages the risk basis policies approved by the board of directors. The board of directors provides written principles for overall risk management. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Company has exposure to following risk arising from financial instruments:

Risk	Exposure arising from	Measurement	Risk management
Credit risk	Cash and cash equivalents (excluding cash on hand), other bank balances, investments, loans, trade receivables and other financial assets.	Credit limit and ageing analysis	Highly rated bank deposits and diversification of asset base.
Liquidity risk	Borrowings, trade payables and other financial liabilities.	Cash flow forecasts	Committed borrowing and other credit facilities and sale of loan assets
Market risk - interest rate	Change in interest rate of variable rates borrowings.	Sensitivity analysis	Review of cost of funds and pricing disbursement
Market risk - security price	Investments in equity securities, mutual funds.	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines to focus on **Cash and cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents (excluding cash on hand) and bank deposits is managed by only accepting highly

i) **Credit Risk**

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investments in units of mutual funds, other balances with banks, deposits and other receivables.

a) **Trade Receivable**

Customer credit risk managed by Company's established policy, procedure and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

b) **Financial instruments**

The Company limits its exposure to credit risk by investing mainly in units of debt funds issued by mutual funds and that too have higher credit rating. The company monitories changes in credit risk by tracking published external credit ranking.

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ii) **Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and

Particulars	As at	Closing balance	Effect on profit before tax	
			1% Increase	1% Decrease
Borrowings (Impact on profit and loss)	31 March 2023	11,62,599	11,625.99	(11,626)
Borrowings (Impact on profit and loss)	31 March 2022	10,66,163	10,661.63	(10,662)

(ii) Price risk

The Company invests its surplus funds in various mutual funds (debt fund, equity fund, liquid schemes and income funds etc.),

Particulars	As at	Closing balance	Effect on profit before tax	
			5% Increase	5% Decrease
Investment (Impact on profit and loss)	31 March 2023	41,428	2,071.40	(2,071)
Investment (Impact on profit and loss)	31 March 2022	9,871	493.57	(494)

a) **Equity Risk**

The Company is exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than purposes. The Company does not actively trade these investments. Profit for the year ended March 31, 2023 and March 31, 2022 would have been unaffected as the equity investments are FVTOCI and none of the investments were disposed off during the year and resulting profit/(loss) on sale of investment is required to be recorded in Other Comprehensive Income.

iii) **Liquidity Risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company maintains a cautious liquidity strategy, with a positive cash balance throughout the year. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows. Cash flow from operating activities provides the funds to service and finance the financial liabilities on a day-to-day basis.

The table below provides details regarding the remaining contractual maturities of Group's financial liabilities.

(₹ in '000)

Particulars	Less than 1 Year/ On Demand	1-5 years	More than 5 years	Total
As at March 31, 2023				
Non-derivative financial liabilities				
Borrowings	5,79,621	1,39,107	4,43,871	11,62,599
Trade Payables	3,89,812	-	-	3,89,812
Other financial liabilities	29,915	-	-	29,915
	9,99,348	1,39,107	4,43,871	15,82,326
As at March 31, 2022				
Non-derivative financial liabilities				
Borrowings	5,27,168	1,243	5,37,752	10,66,163
Trade Payables	4,87,563	-	-	4,87,563
Other financial liabilities	30,062	-	-	30,062
	10,44,793	1,243	5,37,752	15,83,788

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ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

Note 47:

Information on Segment Reporting as per Ind AS 108 on "Operating Segments"

Operating Segments are those components of the business whose operating results are regularly reviewed by the Chief Operating Decision making body in the company to make decisions for performance assessment and resource allocation.

The Group has identified following four reportable primary segments, in terms of Ind AS 108 on ' Operating Segment':

a. Investment Activities
b. Advisory and Consultancy services
c. Information Technology Enabled Services (IT)
d. Stock Broking and allied Services

(₹ in '000)

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
A. Segment Revenue (Sales / Services to external		
a. Investment Activities	14,143	7,802
b. Advisory and Consultancy services	2,825	3,654
c. Information Technology Enabled Services (IT)	-	818
d. Stock Broking and allied Services	2,75,099	3,33,088
Total Revenue	**2,92,067**	**3,45,362**
B. Segment Results :		
a. Investment Activities	(21,021)	(15,093)
b. Advisory and Consultancy services	1,133	1,577
c. Information Technology Enabled Services (IT)	(13,391)	(1,975)
d. Stock Broking and allied Services	(14,632)	40,602
Total	**(47,911)**	**25,111**
Add: Unallocable Income	46,257	70,046
Less: Interest Expense	1,01,715	79,272
Profit/(Loss) before Tax	**(1,03,369)**	**15,885**

Particulars	For the period ended March 31, 2023	For the period ended March 31, 2022
Other Information :		
Segment Assets		
a. Investment Activities	5,93,848	5,31,781
b. Advisory and Consultancy services	3,028	3,558
c. Information Technology Enabled Services (IT)	1,16,986	1,71,376
d. Stock Broking and allied Services	8,76,507	9,86,177
Others – Unallocated	2,549	10,470
Total	**15,92,918**	**17,03,362**
Segment Liabilities		
a. Investment Activities	8,74,854	6,81,157
b. Advisory and Consultancy services	-	-
c. Information Technology Enabled Services (IT)	8,268	1,12,371
d. Stock Broking and allied Services	7,20,991	8,06,912
e. Others – Unallocated	548	2,376
Total	**16,04,661**	**16,02,816**
Capital Employed		
a. Investment Activities	(2,81,006)	(1,49,376)
b. Advisory and Consultancy services	3,028	3,558
c. Information Technology Enabled Services (IT)	1,08,718	59,005
d. Stock Broking and allied Services	1,55,516	1,79,265
e. Others – Unallocated	2,001	8,094
Total	**(11,743)**	**1,00,546**

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ASIT C MEHTA FINANCIAL SERVICES LIMITED

Notes forming part of the Consolidated Financial Statements :

Segment wise and Customer wise Revenue comprising 10% or more of respective segment of Revenue:

(₹ in '000)

Revenue from	As on March 31, 2023		As on March 31, 2022	
	Revenue	No. of Customers	Revenue	No. of Customers
Investment Activities	12,937	3	18,468	3
Advisory Services	2,500	1	3,150	2
Total	15,437	4	21,618	5

Note : 48 Corporate Social Responsibility

(₹ in '000)

Particulars	As at March 31, 2023
(a) Amount required to be spent by the company during the year	135
(b) Actual Amount Spent by the Company during the year	Nil
(c) Shortfall at the end of the year	135
(d) Total of previous years shortfall	Nil
(e) Reason for shortfall	Current years unspent amount was due to inability to identify suitable projects.
(f) Details of related party transactions	Nil
(g) Provision made with respect to a liability incurred by entering into a contractual obligation.	Nil

The Company has made provision of ₹. 135 (₹. in '000) for Corporate Social Responsibility.

ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements :

Note 49:

Disclosure pursuant to Indian Accounting Standard (Ind AS) 112 " Disclosure of interest in other entities"

a. Change in the Group's ownership interest in a subsidiary (without ceasing control)

i) On account of Change in holding

During the previous year 2021-22, the group's continuing interest in Asit C. Mehta Investment Interrmediates Ltd. has increased by 35.53% on account of acquisition of 59,01,650 Equity share of Rs 10 each on premium of Rs 24 from the Promoters Mr. Asit C. Mehta, Mrs. Deena A. Mehta and Asit C. Mehta Commodity Services Ltd. by Asit C Mehta Financial Services Ltd. on 14-02-2022.

During the previous year 2021-22, the group's interest has been increased in Edgytal Fintech Investment Services Private Limited by 77.89% on account of Issuing 30,00,000 Equity share of Rs 10 each on premium of Rs 5 and 50,00,000 Share Warrants at Rs. 1.50 per warrant to Asit C Mehta Financial Services Ltd. on 30-03-2022.

b. Disclosure of subsidiary having material non-controlling interest : - Asit C. Mehta Investment Interrmediates Ltd

(i) **Summarised Statement of Profit and Loss**

(₹ in '000)

Particulars	ACMIIL	
	2022-23	2021-22
Revenue	3,16,415	3,96,707
Profit/(Loss) for the year	(25,544)	62,609
Other comprehensive income	(18,906)	2,357
Total comprehensive income	(44,450)	64,966
Total Comprehensive Income allocated to non-controlling interest	(3,071)	4,489
Dividend to non-controlling interest	-	-

(ii) **Summarised Balance Sheet**

(₹ in '000)

Particulars	ACMIIL	
	As on March 31, 2023	As on March 31, 2022
Current assets (a)	7,22,858	8,89,208
Current liabilities (b)	(7,16,821)	(8,03,289)
Net current assets (c) = (a) - (b)	6,037	85,919
Non-current assets (d)	1,76,220	1,40,241
Non-current liabilities (e)	(4,170)	(3,623)
Net non-current assets (f) = (d) - (e)	1,72,050	1,36,618
Net assets (g) = (c) +(f)	1,78,087	2,22,537
Accumulated non-controlling interest	12,306	15,377

(iii) **Summarised Cash flows**

(₹ in '000)

Particulars	ACMIIL	
	2022-23	2021-22
Cash flows from operating activities	(1,80,114)	96,018
Cash flows from investing activities	(15,171)	47,902
Cash flows from financing activities	1,88,126	(1,26,155)
Net increase/(decrease) in cash and cash equivalents	**(7,159)**	**17,765**

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c. **Disclosure of subsidiary having material non-controlling interest : - Edgytal Fintech Investment Services Private Limited**

(i) Summarised Statement of Profit and Loss

(₹ in '000)

Particulars	EDGYTAL	
	2022-23	2021-22
Revenue	12,077	1,816
Profit/(Loss) for the year	(9,802)	(2,349)
Other comprehensive income	-	-
Total comprehensive income	(9,802)	(2,349)
Profit/(Loss) allocated to non-controlling interest	(2,167)	(510)
Dividend to non-controlling interest	-	-

(ii) Summarised Balance Sheet

(₹ in '000)

Particulars	EDGYTAL	
	As on March 31, 2023	As on March 31, 2022
Current assets (a)	2,321	885
Current liabilities (b)	(71,473)	(45,903)
Net current assets (c) = (a) - (b)	(69,152)	(45,018)
Non-current assets (d)	1,16,600	1,01,366
Non-current liabilities (e)	(903)	-
Net non-current assets (f) = (d) - (e)	1,15,697	1,01,366
Net assets (g) = (c) +(f)	46,545	56,348
Accumulated non-controlling interest	10,291	12,459

(iii) Summarised Cash flows

(₹ in '000)

Particulars	EDGYTAL	
	2022-23	2021-22
Cash flows from operating activities	19,255	44,673
Cash flows from investing activities	(14,416)	(1,00,517)
Cash flows from financing activities	(4,728)	55,861
Net increase/(decrease) in cash and cash equivalents	**111**	**17**

(iv) One of the Subsidiary ("ACMIIL") of the Group had sold the online business Assets as Slump sale to another Subsidiary ("EDGYTAL") at Rs.1,00,000 (in '000) and booked the profit of Rs.6,953 (in '000)during the previous year. The said Subsidiary had complied with relevant clauses mentioned in the agreement entered between them . The said Subsidiry ("ACMIIL") has disclosed the profit of Rs.6,953 (in'000) as Profit from discontinued business unit on the face of profit & loss account. Due to carried forward unabsorbed depreciation and business loss from the previous years, The tax Liability is NIL.

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ASIT C MEHTA FINANCIAL SERVICES LIMITED
Notes forming part of the Consolidated Financial Statements :

Note 50:
Additional information pursuant to Schedule III to the Companies Act, 2013

(₹ in '000)

Name of the Entity in the Group	Net assets i.e. total assets minus total liabilities		Share of Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated Other comprehensive Income	Amount	As % of Consolidated Total comprehensive Income	Amount
Parent Company								
Asit C. Mehta Financials Services Limited	804	(2,75,977)	65	(57,780)	7	(1,306)	55	(59,086)
Indian Subsidiaries								
Edgytal Fintech Investment Services Private Limited	(317)	1,08,718	11	(9,802)	-	-	9	(9,802)
Asit C. Mehta Investment Interrmediates Limited	(453)	1,55,516	29	(25,544)	100	(18,906)	41	(44,450)
Total	34	(11,743)	105	(93,12[illegible])	107	(20,212)	105	(1,13,338)
Less: Non-controlling Interest in all subsidiaries	(66)	22,593	5	(3,932)	7	(1,307)	5	(5,239)
TOTAL	100	(34,336)	100	(39,194)	100	(18,906)	100	(1,08,099)

51 **Title deeds of Immovable Properties not held in name of the Company**
The title deeds of all the immovable properties in financial statements, are held in the name of the company.

52 **Details of Benami Property held**
The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

53 **Wilful Defaulter**
The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

54 **Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956,**
The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

55 **Registration of charges or satisfaction with Registrar of Companies**
The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

56 **Compliance with number of layers of companies**
The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

57 **Undisclosed income**
The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

58 **Details of Crypto Currency or Virtual Currency**
The Company has not traded or invested in Crypto currency or Virtual Currency during the current year and previous year.

59 **Compliance with approved scheme of arrangement**
Pursuant to the Composite Scheme of Arrangement (the "Scheme") under the provisions of Section 230 to 232 of the Companies Act, 2013 in respect of merger of Nucleus IT Enabled Services Ltd. (Wholly owned subsidiary/ Transferor Company) with the Company, the Board of Directors of the Company at its meeting held on April 16, 2021, considered and approved the Scheme. The Scheme has also been approved by the Hon'ble National Company Law Tribunal ("NCLT") vide its order dated January 20, 2023, with the appointed date of March 31, 2021. All the assets, liabilities, reserves and surplus of the Transferor Company have been transferred to and vested in the Company with effect from appointed date at their carrying values. The Company had received requisite approvals from the Honourable NCLT having jurisdiction over the Company and the Transferor Company. The Company has given effect to the scheme in the standalone financial statements for the year ended March 31, 2023.
As per the requirements of Appendix C to Ind AS 103 "Business Combination", the financial information in the standalone financial statements in respect of prior periods have been restated as if the common control business combination had occurred from the beginning of the preceding period in the standalone financial statements. Accordingly, the comparatives for the year ended 31 March 2022 have been restated after recognising the effect of the merger as stated above.

60 **The Code on Social Security 2020**
The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.
The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

61 **No Significant Subsequent events have been observed which may require an adjustments to the financial statements.**

62 **Previous year's figures have been regrouped and reclassified wherever necessary.**

As per our report of even date attached
For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Swapnil Kale

Swapnil Kale
Partner
Membership Number: 117812

Mumbai
May 29, 2023.

MSKA & ASSOCIATES Chartered Accountants

For and on behalf of the Board of Directors

Asit C Mehta
Director
DIN: 00169048
Mumbai
May 29, 2023.

Kirit H Vora
Director
DIN: 00168007
Mumbai
May 29, 2023

Binoy Dharod
Chief Financial Officer
Mumbai
May 29, 2023.

Khushboo Hanswal
Company Secretary
Mumbai
May 29, 2023.

Asit C. Mehta Financial Services Ltd. Mumbai

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Limited Review Unaudited Financial Results and Audited Financial Information on consolidated the basis of consolidated financials.

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31, 2023	**March 31, 2022**
Earnings per Equity Share		
a. Basic earnings per Equity Share	(19.06)	3.03
b. Diluted earnings per Equity Share	(19.06)	3.03
Return on Net Worth	**7.93**	**0.15**
Net asset value per Equity Share	**(2.37)**	**20.74**
EBITDA	**(265.80)**	**418.60**

The ratios have been computed as below:

Ratio	Computation
Basic and Diluted Earnings Per Share	Profit attributable to shareholder / Total number of weighted average number of shares
Return on Net Worth (%)	Profit for the Year / Net Worth
Net Asset Value per Share	Net Worth / Number of shares as at the end of the relevant period
EBITDA	Profit before tax + depreciation and amortization expenses + finance cost - other income

Calculation of Earning per Equity Share:

(₹ in lakh except percentage data)

Particulars	As at and for	
	March 31, 2023	**March 31, 2022**
Profit attributable to Equity shareholders (A)	(931.25)	146.33
Weighted average number of equity shares outstanding at the end of the period (B)	48,87,145	48,33,613
Basic and Diluted EPS (A)/(B)*10^5	**(19.06)**	**3.03**

Calculation of Return on Net Worth:

(₹ in lakh except percentage data and *No. of Equity Shares)*

Particulars	As at and for	
	March 31, 2023	**March 31, 2022**
Profit / (loss) after tax (A)	(931.25)	146.33
Net Worth (B)	(117.43)	1,005.46
Return on Net-Worth (A/B)	**7.93**	**0.15**

Calculation of Net Worth and Net Asset Value per Equity Share:

(₹ in lakh except percentage data and *No. of Equity Shares)*

Particulars	As at and for	
	March 31, 2023	**March 31, 2022**
Equity share capital (A)	495.26	484.74
Other equity (B)	(612.68)	520.72
Net-Worth (C) = (A+B)	(117.43)	1,005.46
Number of Equity shares as at the end of the relevant period	**49,52,560**	**48,47,377**

(D)		
Net asset value per Equity Share ((C*10^5) / D)	(2.37)	20.74

Calculation of EBITDA:

(₹ in lakh except percentage data)

Particulars	**As at and for**	
	March 31, 2023	**March 31, 2022**
Profit Before Tax	(1,033.69)	158.85
Depreciation & Amortization	155.17	167.49
Finance Cost	1,074.76	792.72
Less : other Income	(462.57)	(700.46)
EBITDA	(265.80)	418.60

MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the “**Consolidated Financial Statements**” on page 97 of this Draft Letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read “**Risk Factors**” and “**Forward Looking Statements**” beginning on pages 21 and 17 respectively of this Draft Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our Consolidated Financial Statements included in this Draft Letter of Offer are prepared in accordance with IND AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Financial 2023, Financial 2022 and Financial 2021 included herein is based on the Consolidated Financial Statements, included in this Letter of Offer. For further information, see “**Consolidated Financial Statements**” beginning on page 97 of this Draft Letter of Offer.*

OVERVIEW OF BUSINESSES

We work under the guidance of our Non- Executive Non- Independent Director, Mr. Asit Chimanlal Mehta and Mrs Deena Asit Mehta, who has an experience of more than 40 Years in the Financial Service Industry and been associated with our Company since April 01, 2001, and March 25, 1991, respectively. He has been instrumental in evolving our business.

Our consolidated revenues from operations for Fiscals 2023, 2022 and 2021 were ₹ 2,920.67 lacs, ₹ 3,453.62 lacs and ₹ 2,949.53 lacs, respectively. Our consolidated EBITDA for the Fiscals 2023, 2022 and 2021 were ₹ 196.77 lacs, ₹ 1,119.06 lacs and ₹ 1,204.84 lacs, respectively. Our consolidated profit after tax for Fiscals 2023, 2022 and 2021 were ₹ -931.25 lacs, ₹ 146.33 lacs and ₹ 225.69 lacs, respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled ‘***Risk Factors’*** on page 21 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- An increase in the productivity and overall efficiency of our competitors;
- Our ability to maintain and enhance our brand image;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Subsidiaries, Individual Promoter and other related parties;

- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled "***Consolidated Financial Information***" on page 97 of this Draft Letter of Offer.

CHANGE IN ACCOUNTING POLICIES

As mentioned in chapter "***Consolidated Financial Information***" on page 97 of this Draft Letter of Offer, there has been no change in accounting policies for the period which has been included in this Draft Letter of Offer.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "***Consolidated Financial Information***" on page 97 of this Draft Letter of Offer.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

The following descriptions set forth information with respect to the key components of the Financial Statements.

Total income

Our revenue comprises:

A. Revenue from operations

Our revenue from operations consists of sale of services and marketing fees and Lease Rent & Business Support Services.

B. Other Income

Our Other income mostly consists of interest on income tax refund, Rent received, Dividend, Profit on sale of shares, Damages & Claims Received, Profit on Redemption of Mutual Fund etc.

Expenses

Our expenses primarily comprise: Employee Benefit Expenses, Finance cost, Depreciation and amortization expenses and other expenses. For details, see section titled "***Consolidate Financial Statement***" on page 97 of this Draft Letter of Offer

A. Employee benefit expenses

Employee benefit expense consists of salaries, wages, gratuity, bonus, commission, contribution to provident fund & other funds and staff welfare & training expenses.

B. Other expenses

Other expenses include business promotion expenses, office expenses, conveyance expenses, telephone, internet and web hosting charges, rates and taxes, rent, electricity & maintenance charges, legal and professional fee, printing & stationery expense, software expenses, insurance expenses etc.

C. Finance cost

Finance cost comprises comprise of interest on loan from financial institution, banks and processing fee.

D. Depreciation and Amortisation Expense

Depreciation and amortization expense comprises of depreciation on building, office equipment, furniture & fixtures, vehicles, leasehold improvements, computers, servers & network, right-of-use assets and amortization of intangible assets.

E. Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or credit is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

Our Results of Operations

The following table sets forth, for the periods indicated, certain items from our financial statements, in each case also stated as a percentage of our total income:

(₹ in Lakhs except percentage data)

Particular	2023	Percentage of total income (%)	2022	Percentage of total income (%)	2021	Percentage of total income (%)
INCOME						
Revenue from Operations	2,920.67	86.33%	3,453.62	83.14%	2,949.53	75.17%
Other Income	462.57	13.67%	700.46	16.86%	974.12	24.83%
Total Income (A)	**3,383.24**	**100.00%**	**4,154.08**	**100.00%**	**3,923.65**	**100.00%**
EXPENDITURE						
Employee benefit expenses	1,144.45	33.83%	792.97	19.09%	783.47	19.97%
Finance costs	1,017.15	30.06%	792.72	19.08%	690.67	17.60%
Net Loss on Fair Value Change	57.60	1.70%	0.00	0.00%	0.00	0.00%
Depreciation and amortisation expense	155.71	4.60%	167.49	4.03%	205.68	5.24%
Other Expenses	2,042.02	60.36%	2,242.05	53.97%	1,935.34	49.32%
Total Expenses (B)	**4,416.93**	**130.55%**	**3,995.23**	**96.18%**	**3,615.16**	**92.14%**
Profit Before exceptional items	**(1,033.69)**	**(30.55%)**	**158.85**	**3.82%**	**308.49**	**7.86%**
Exceptional Item	0.00	0.00%	0.00	0.00%	0.00	0.00%
Profit before tax	**(1,033.69)**	**(30.55%)**	**158.85**	**3.82%**	**308.49**	**7.86%**
Tax expense :						
(i) Current tax	0.00	0.00%	0.00	0.00%	48.00	1.22%
(ii) Deferred tax	(114.66)	(3.39%)	71.86	1.73%	5.44	0.14%
(iii) MAT Credit Entitlement Written off / Utilised	0.65	0.02%	10.39	0.25%	28.31	0.72%
Prior Tax Adjustment	11.57	0.34%	(0.20)	0.00	1.05	0.03%
Total Tax Expense	**(102.44)**	**(3.03%)**	**82.05**	**1.98%**	**82.80**	**2.11%**
Profit from Discontinued operations	0.00	0.00	69.53	1.67%	0.00	0.00
Profit for the year	**(931.25)**	**(27.53%)**	**146.33**	**3.52%**	**225.69**	**5.75%**

Particular	2023	Percentage of total income	2022	Percentage of total income	2021	Percentage of total income
		(%)		(%)		(%)
Other Comprehensive Income						
a) Re-measurement gains/ (losses) on defined benefit plans	(17.62)	(0.52%)	3.75	0.09%	-54.03	(1.38%)
b) Effect of measuring Equity Instruments on Fair Value	(252.52)	(7.46%)	41.51	1.00%	54.88	1.40%
c) Income Tax on (a) and (b)	68.02	2.01%	(11.40)	(0.27%)	(0.70)	(0.02%)
Other comprehensive income for the year, net of tax	**(202.12)**	**(5.97%)**	**33.86**	**0.82%**	**0.15**	**0.00**
Total comprehensive income for the year	**(1,133.37)**	**(33.50%)**	**180.19**	**4.34%**	**225.84**	**5.76%**

Comparison of Historical Results of Operations

Fiscal 2023 compared to Fiscal 2022

Total Income

Our total revenue for Fiscal 2023 was ₹ 3,383.24 lakhs as compared to ₹ 4,154.08 lakhs for the Fiscal 2022, representing a decrease of 18.56%. The decrease in total revenue was primarily due to Revenue from stock broking and allied services registered a decline of 17% during FY23, which is primarily in sync with overall decline in cash market segment volumes.

Total revenue comprises:

Revenue from operations from interest income

Our revenue from operations for the Fiscal 2023 was ₹ 2,920.67 lakhs as compared to ₹ 3,453.62 lakhs for the Fiscal 2022, representing an decrease of 15.43%. The decrease in revenue was primarily due to revenue from stock broking and allied services registered a decline of 17% during FY23, which is primarily in sync with overall decline in cash market segment volumes.

Other income

Our other income for the Fiscal 2023 was ₹ 462.57 lakhs as compared to ₹ 700.46 lakhs for the Fiscal 2022, representing an decrease of 33.96%. The decrease in other income was primarily due to reduction in profit from transfer of investment in shares as compared to previous year.

Expenses

Our total expenses for the Fiscal 2023 was ₹ 4,416.93 lakhs as compared to ₹ 3,995.23 lakhs for the Fiscal 2022, representing an increase of 10.56%.

Employee Benefits Expense

Our employee benefit expenses for the Fiscal 2023 was ₹ 1,144.45 lakhs as compared to ₹ 792.97 lakhs for the Fiscal 2022, representing an increase of 44.32%. The increase in Employee Benefits Expense was primarily due to the increase in Employee Benefits Expense was primarily due to increase in salaries. The company has set up, at the subsidiaries company level, company has hired additional senior level resource for dedicated wealth management team.

Finance Cost

Finance cost for the Fiscal 2023 was ₹ 1017.15 Lakhs as compared to ₹ 792.72 Lakhs for the Fiscal 2022 representing an increase of 28.31% primarily due to increase in rate of interest and due to additional borrowings.

Net Loss on Fair Value Change

The Net Loss on fair value increased by ₹ 57.60 lakhs in the Fiscal 2023 representing an increase of 100%. The increase in Net Loss on fair value due to impact of fair valuation of investment in preference shares as required under Ind AS 109 – Fair Valuation of Financial Instruments.

Depreciation and amortization

Our depreciation and amortization expenses for the Fiscal 2023 was ₹ 155.71 lakhs as compared to ₹ 167.49 lakhs for the Fiscal 2022, representing a decrease of 7.03%. The Net decrease is due to depreciation is on WDV method, which reduces every year as WDV cost reduces. Since there has been no major addition in assets, depreciation has not increased.

Other expenses

Our other expenses for the Fiscal 2023 was ₹ 2,042.02 lakhs as compared to ₹ 2,242.05 lakhs for the Fiscal 2022, representing a decrease of 8.92%. The decrease is primarily due to the decrease in Business Associates expenses, other expenses are in line with last year and due to cost saving efforts by management.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2023 was ₹ (1,033.69) lakhs as compared to ₹ 158.85 lakhs for the Fiscal 2022, representing an decrease of 750%. The decrease in profit/(loss) before tax was due to the reduction in revenue from operations from material subsidiary and increase in employee benefit expenditure as well as increase in finance cost due to increase in rate of interest, resulted in increase in loss before tax.

Taxation

Total tax expense for the Fiscal 2023 ₹ (102.44) lakhs as compared to ₹ 82.05 lakhs for the Fiscal 2022, representing a decrease of 224.85%. The decrease is due to impact of changes in deferred tax asset and liability.

Profit/Loss after Tax

As a result of the aforesaid, Our Company incurred a loss for the year on a basis for the Fiscal 2023 of ₹ 931.25 lakhs as compared for the Fiscal 2022 in which our Company earned a Profit of ₹ 146.33 lakhs, representing a decrease of 736.40%.

Other Comprehensive Income

Other Comprehensive loss incurred for Fiscal 2023 ₹ (202.12) lakhs as compared to other comprehensive Income to ₹ 33.86 lakhs for fiscal 2022, representing a decrease of 696.93%. The decrease was primarily due to the fair valuation of investment and defined benefit plans.

Fiscal 2022 compared to Fiscal 2021

Total Income

Our total revenue for Fiscal 2022 was ₹ 4,154.08 lakhs as compared to ₹ 3,923.65 lakhs for the Fiscal 2021, representing an increase of 5.87%. The increase in total revenue was primarily due to Increase in Revenue from stock broking and allied services registered during FY22, which is primarily in sync with overall increase in cash market segment volumes and increase in rental income as compared to FY 21 as Covid Year).

Total revenue comprises of:

Revenue from operations from interest income

Our revenue from operations for the Fiscal 2022 was ₹ 3,453.52 lakhs as compared to ₹ 2,949.53 lakhs for the Fiscal 2021, representing an increase of 17.09%. The increase in revenue was primarily due to Revenue from stock broking and allied services registered an increase of 17% during FY22, which is primarily in sync with overall increase in cash market segment volumes.

Other income

Our other income for the Fiscal 2022 was ₹ 700.46 lakhs as compared to ₹ 974.12 lakhs for the Fiscal 2021, representing a decrease of 28.09%. The decrease in other income was primarily due to decrease in profit from sale of immovable property as compared to previous year.

Expenditure

Our total expenditure for the Fiscal 2022 was ₹ 3,995.23 lakhs as compared to ₹ 3,615.16 lakhs for the Fiscal 2021, representing an increase of 10.51%.

Employee Benefits Expense

Our employee benefit expenses for the Fiscal 2022 was ₹ 792.97 lakhs as compared to ₹ 783.47 lakhs for the Fiscal 2021, representing an increase of 1.21%. The increase in Employee Benefits Expense was primarily due to increase in salaries and wages.

Finance Cost

Finance cost for the Fiscal 2022 was ₹ 792.72 Lakhs as compared to ₹ 690.67 Lakhs for the Fiscal 2021 representing an increase of 14.78%.

Net Loss on Fair Value Change

There was no Net Loss on fair value in the Fiscal 2022 and Fiscal 2021.

Depreciation and amortization

Our depreciation and amortization expenses for the Fiscal 2022 was ₹ 167.49 lakhs as compared to ₹ 205.68 lakhs for the Fiscal 2021, representing a decrease of 18.57%. The decrease is due to depreciation is on WDV method, which reduces every year as WDV cost reduces. Since there has been no major addition in assets, depreciation has not increased.

Other expenses

Our other expenses for the Fiscal 2022 was ₹ 2,242.05 lakhs as compared to ₹ 1935.34 lakhs for the Fiscal 2021, representing an increase of 15.85%. The increase is primarily due to the Increase in Business Associates expenses, Commission Paid on PMS management Fees and mainly due to Balance Written off for CDSL Income Receivable, and decrease in Legal & Professional Fees, Rates & Taxes and License Fees, ROC Expenses and Penalties.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2022 was ₹ 158.85 lakhs as compared to ₹ 308.49 lakhs for the Fiscal 2021, representing an decrease of 48.51%. The decrease in profit/(loss) before tax was due to the to decrease in profit from sale of immovable property as compared to previous year.

Taxation

Total tax expense for the Fiscal 2022 ₹ 82.05 lakhs as compared to ₹ 82.80 lakhs for the Fiscal 2021, representing a decrease of 0.91%. The decrease is due to changes in deferred tax assets and liabilities as on 31st March 2022 and No liabilities of Current Tax expense.

Profit/Loss after Tax

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2022 of ₹ 146.33 lakhs as compared to ₹ 225.69 Lakhs for the Fiscal 2021, representing a decrease of 35.16%.

Other Comprehensive Income

Other Comprehensive income earned for Fiscal 2022 ₹ 33.86 lakhs as compared to other comprehensive Income to ₹ 0.15 lakhs for fiscal 2021, representing a increase of 22,473.33%. The increase was primarily due to the fair valuation of investment and defined benefit plans.

CASH FLOWS

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

(₹ in Lakhs)

Particulars	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net (loss) / profit before tax	(1033.69)	158.85	308.49
Net cash from/ (used in) operating activities	(568.74)	(334.03)	(430.07)
Net cash from/ (used in) investing activities	358.79	(2,276.94)	1913.47
Net cash from financing activities	105.38	2833.27	1865.32
Net increase/ (decrease) in cash and cash equivalents	**(104.57)**	**222.30**	**(381.91)**
Cash and cash equivalents at the beginning of the year/period	1210.15	987.85	1,369.77
Cash and cash equivalents at year/period end	1105.58	1210.15	987.85

Operating activities

Operating activities comprise of profit/(loss) for the year before interest, depreciation and finance charges, changes in working capital and further adjustment of non-cash items.

Net cash used in operating activities for the period ended March 31, 2023, was ₹ (568.74) lakhs as compared to the Net Loss before tax of ₹ (1033.69) lakhs for the same period. This difference is primarily due to adjustment for Increase in trade receivable, Increase in Trade Payables, Other Current Liabilities and decrease in Other Financial Assets.

Net cash used from operating activities for the period ended March 31, 2022, was ₹ (334.03) lakhs as compared to the Net Profit before tax of ₹ 158.85 lakhs for the same period. This difference is primarily due to adjustment for decrease trade receivable, decrease trade receivable decrease in Loans and Advances and Increase in Current Liabilities.

Net cash used from operating activities for the period ended March 31, 2021, was ₹ (430.07) Lakhs as compared to the Net Profit before tax of ₹ 308.49 Lakhs for the same period. This difference is primarily due to decrease in Loans and Advances and Increase in Current Liabilities.

Investing activities

Investing activities comprises of Sale of Investments, Interest Income. Net cash generated in investing activities for period ended March 31, 2023, was ₹ 358.79 Lakhs.

Net cash used in investing activities for period ended March 31, 2022, was ₹ (2,276.97) Lakhs. This was mainly on account of Purchase of Investment / Property, Plant and Equipment.

Net cash generated in investing activities for period ended March 31, 2021, was ₹ 1,913.47 Lakhs. This was mainly on account of Placement of Bank Fixed Deposits, Interest received and Sale of Investment property.

Financing activities

Financing activities comprises of Cash Flow from borrowings, Inter Corporate Loan & other Financial Liabilities.

Net cash generated from financing activities for period ended March 31, 2023, was ₹ 105.38 Lakhs. This was on predominantly account of Cash flow from borrowings and other Financial Liabilities.

Net cash used or generated from in financing activities for period ended March 31, 2022, was ₹ 2,833.27 Lakhs. This was on predominantly account of Cash inflow from Inter Corporate as Loan.

Net cash used in or generated from financing activities for period ended March 31, 2021 was ₹ 1,865.32 Lakhs. This was on predominantly account of Cash flow from finance Activity, Redemption of Preference Share, and repayment of Borrowings.

Contingent Liabilities

The Company has contingent liabilities or other commitments as on the balance sheet date.

(₹ in Lakhs)

Sr. No.	Particulars	March 31, 2023
A.	**Contingent Liabilities**	
a.	Claims against the Company/ disputed liabilities not acknowledged as debts	
i.	Income-tax matters under appeal (AY 16-17)	5.90
ii.	Service Tax matters under appeal	101.98
iii.	FEMA matter	161.86
iv.	Income-tax matters under appeal	116.76
v.	Disputed Claims against the Group Company not provided for	10.41
vi.	Disputed tax demanded under various assessment proceedings due to disallowance of various expenses, tax rebates, etc and contested by the Company at appellate authorities	197.58
vii.	Income-tax matters under appeal	0.20
viii.	Interest on Escrow Deposit	85.06
ix.	SEBI Penalty	28.50
	Total	**708.25**
B.	**Guarantee given**	**161.86**

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments and derivative financial instruments. The Company has designed risk management framework to control various risks effectively to achieve the business objectives. This includes identification of risk, its assessment, control and monitoring at timely intervals.

Total Debt

For details of our borrowings, please see section titled "***Consolidate Financial Information***" on page 97 of this Draft Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations***" beginning on pages 21 and 157, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "***Risk Factors***" on page 21.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known Other than as described in the section titled "***Risk Factors***" and chapter titled "***Management's Discussion and Analysis of Financial Conditions and Results of Operations"*** beginning on pages 21 and 157, respectively, and elsewhere in this Draft Letter of Offer , there are no known factors to our knowledge which would have a material

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

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

*Except as disclosed in this section, there is no outstanding (i) criminal proceeding; (ii) action taken by regulatory or statutory authorities; (iii) claim related to direct and indirect taxes; and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, our Directors, our Promoters, and our Subsidiaries ("**Relevant Parties**"). Further, there is no pending litigation involving our Group Companies, the adverse outcome of which may have a material impact on our Company.*

Pursuant to the SEBI ICDR Regulations and the Materiality Policy adopted by our Board of Directors on August 26, 2023, for the purposes of disclosure, any pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, including outstanding action, and tax matters, would be considered 'material' where:

*(i) Where such matters involve any of the Relevant Parties, the monetary amount of claim by or against the entity or person in any such pending proceeding is equivalent to or in excess of (being lesser of (i) two percent (2 %) of turnover, as per last audited financial statement of our Company, is **₹ 58,41,335/-**, (ii) two percent (2%) of net worth, as per last audited financial statement, except in case the arithmetic value of net worth is negative, **₹ 2,34,857** [as the arithmetic value of net worth is negative] , and (iii) five percent (5%) of the average of absolute value of profit or loss after tax , as per last three audited financial statements of our Company up till the Financial Year 2023) **₹ 21,72,124**, in terms of the Consolidated Financial Statement)("Materiality Threshold"); ; and*

(ii) the monetary impact is not quantifiable, or the amount involved may not exceed the materiality threshold set out under (i) above, but an outcome in any such litigation would materially and adversely affect the Company's business, operations, cash flows, financial position or reputation of the Company.

It is clarified that pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by our Company, our Directors, our Promoters and our Subsidiaries, shall not be considered as litigation until such time that any of our Company, our Directors, our Promoters and our Subsidiaries, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary, the information provided below is as of the date of this Draft Letter of Offer.

LITIGATIONS INVOLVING OUR COMPANY

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability.

i. Criminal litigation initiated against our Company.

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated against our Company.

ii. Criminal litigation filed by our Company.

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated by our Company.

B. Matters involving material violations of statutory regulations by our Company.

1. Asit C. Mehta Financial Services Limited vs. Customs

Our Company, represented by Wadia Ghandy and Company ("Appellant"), in Bombay High Court, bearing number 2268 of 2001 and date of next hearing not given since long.
Brief proceedings of Case:

The Company received pay orders valuing Rs. 50,72,000/- from customers in the financial year 1994-95 in respect of Money changing business. These pay orders were dishonored by the issuing nationalized bank as per the instructions of Directorate of Revenue & Intelligence. The Company was made a party to proceedings under the Customs Act 1962 and the proceeds were sought to be forfeited by the DRI and Customs Department. The Collector of Customs levied a penalty on the Company under the proceedings. The Company had challenged the award before the Customs, Excise and Gold (Control), Appellate Tribunal, Mumbai (CEGAT). CEGAT ruled in favour of the Company ordering the Customs Department to release the consideration of the aforesaid sum. The Customs department preferred an appeal in High Court of Mumbai, Ho. Mumbai High Court ordered the Customs Department to release the sum as per the CEGAT order. The Customs Department appealed in the Supreme Court pleading that it will be filing a reference petition soon in Mumbai High Court. The Supreme Court ordered the Customs Department by way of an interim order to release the sum against a bank guarantee of Rs. 26,86,000/- to be furnished by the company and to be deposited with the Prothonotary of the High Court at Bombay. The company has furnished the required bank guarantee, which is currently valid till 31.03.2024. The Customs Department has since filed a reference petition before the Hon'ble High Court of Judicature at Bombay. The same is still pending for disposal since the customs department has only recently submitted the statement of case with regard to the substantial questions of law raised in the order dated January 10, 2006 of the High Court at Bombay. The Company had filed an application in the Supreme Court of India to issue necessary instructions to give undertaking in lieu of bank guarantee. The Supreme Court has asked that the matter of submitting undertaking be referred to the appropriate forum. The Company has taken up the matter in the High Court of Bombay.

2. ***Asit C. Mehta Financial Services Limited (erstwhile Nucleus Netsoft) vs. Special Director of Enforcement***

Brief proceedings of Case:

Despite ruling in our favor in the above matter, a case was initiated against the Company just before the sunset clause of FERA. The Company received an order imposing a penalty of Rs. 1,35,00,000/ in respect of the alleged violation regarding production of FLM Memorandum (Regular forms being submitted to RBI on regular basis). This has no connection with any alleged violation mentioned above, under FERA. The Company has filed an appeal before the Appellate Tribunal for Foreign Exchange (ATFE) contesting the order, which is still pending since long due to hearings not taking place. The Company contends that it had always complied with the relevant regulations of the Reserve Bank of India as contained in FLM – Memorandum of Instructions to Full-Fledged Money Changers. The company has furnished a Bank guarantee of Rs. 135 lakhs to the ATFE as per the order of the High Court at Bombay, passed on an application made by the company in this respect. The Company is renewing the bank guarantee on a regular basis and the current bank guarantee is valid till 30.09.2024.

C. Economic offences where proceedings have been initiated against our Company.

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our Company.

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Litigations were initiated against our Company.

As on the date of this Letter of Offer, there are no outstanding civil litigations initiated against our Company exceeding the materiality threshold.

Civil Litigations filed by our Company.

1. Asit C. Mehta Financial Services Limited vs Radical Minds Technologies Private Limited

Our Company, represented by Amit Kamble ("Petitioner") filed a suit in Small Cases Court at Bandra, bearing number LC/77/2020, for recovery of outstanding dues for Unit 1B, Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai 400 020 which was leased out to the parties. The matter was listed for orders on 8th March, 2023. The Claimed amount involved *₹ 61,60,493/- and next date hearing is December 7, 2023.*

2. Asit C. Mehta Financial Services Limited vs Radical Minds Technologies Private Limited

Our Company, represented by Amit Kamble ("Petitioner") filed a suit in Small Cases Court at Bandra, bearing number LC/78/2020, for recovery of outstanding dues for Unit 1B Pantomath Nucleus House, Saki Vihar Road, Andheri East, Mumbai 400 020 which was leased out to the parties. The matter was listed for orders on 8th March, 2023. The Claimed amount involved *₹ 11,17,696/- and next date hearing is December 7, 2023.*

Tax Proceedings initiated against our Company

Direct Tax

Assessment Year 2016-17 : The Assessing Officer ("AO") vide Demand Notice dated December 22, 2018, under Section 156 and Assessment Order dated December 22, 2018 of the Income Tax Act had assessed Asit C Mehta Financial Services Limited to be liable to pay pending amount of Rs 5,89,874/- against original demand of Rs. 19,27,654/- for Assessment Year 2016-17. Asit C Mehta Financial Services Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.

Assessment Year 2017-18 : The Assessing Officer ("AO") vide Demand Notice dated December 29, 2019, under Section 156 and Assessment Order dated December 29, 2019 of the Income Tax Act had assessed Asit C Mehta Financial Services Limited to be liable to pay pending amount of Rs 1,16,76,021/- for Assessment Year 2016-17. Asit C Mehta Financial Services Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.

Indirect Tax

The Service Tax Depeartment had raised a demand of Rs.101,97,579/-, by passing an Ex parte order dated 11th April 2008. The Asit C Mehta Financial Services Limited has filed appeal before CESTAT Mumbai. The management, based on expert's advice, is confident that the demand is not sustainable and hence no provision for the same is made in the books of account.

Particulars	**No. of Cases**	**Amount Involved (in ₹)**
Direct Tax	2	AY 2016-17 Addition of Rs. 3,01,92,430/- Tax Amount Rs. 5,89,874/-. AY 2017-2018 Addition of Rs. 3,41,28,949/- and Tax Amount Rs. 1,16,76,021/-
Indirect Tax	1	FY 1999-2000 Amount of Service Tax 33,99,193/- Penalty u/s 76 Rs.33,99,193/- and Penalty u/s 78 Rs.33,99,193/- Total Rs. 1,01,97,579/-
Total	**3**	**Rs. 2,24,63,474/-**

LITIGATIONS INVOLVING OUR SUBSIDIARIES COMPANY

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiaries Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability.

i. Criminal litigation initiated against our Subsidiaries:

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated against our Subsidiaries.

ii. Criminal litigation filed by our Subsidiaries

As on the date of this Draft Letter of Offer, there are no criminal litigations initiated by our ***Subsidiaries***.

B. Matters involving material violations of statutory regulations by our *Subsidiaries*

As on the date of this Draft Letter of Offer, there are no proceedings/matters involving material violations of statutory regulations by our ***Subsidiaries***

C. Economic offences where proceedings have been initiated against our *Subsidiaries*

As on the date of this Draft Letter of Offer, there are no economic offences initiated against our ***Subsidiaries***.

D. Other proceedings involving our *Subsidiaries* Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

Civil Litigations initiated against our Subsidiaries Company

1, 2 of the subsidiary's (Asit C. Mehta Investment Interrmediates Limited-ACMIIL) have filed case in the consumer forum for matters related to stock Exchange transactions .

In one of the case involving an amount of Rs. 6,51,163/- the subsidiary company had filed the arbitration against the said client for recovery of dues and the award was received in the company's favor. In the same case, the client filed a case in the consumer forum wherein the district forum ruled in ACMIIL's favor, on an appeal made by the client, the state consumer forum referred the matter back to the district consumer forum, which again ruled in ACMIIL's favor and the client has filed an appeal against the said order. The next date in the matter is awaited

In the other case, the client had filed an complaint in BSE Limited (BSE) against one of our erstwhile sub-brokers and ACMIIL in respect of stock market transactions and claimed compensation of Rs. 3, 01,500. The investor grievance Redressal Committee of BSE in its meeting held on July 15, 2014 had advised to file arbitration which the client has not done even as of date and instead chosen to approach the consumer forum for the said matter. The next date in the matter is awaited.

Civil Litigations filed by our Subsidiary Company

1. Nucleus V/s. Alankit (Case Number 85/2018) in the court of Civil Judge at Bhandara

   Brief proceedings of Case:

   Nucleus IT Enable Services Limited had filed an arbitration case against Alankit and the arbitrator decided the matter in the company's favor. Alankit appealed against the award and was set aside. According to us, the debt is crystallized and hence the subsidiary have filed recovery suit. Alankit had filed an application for dismissal of complaint which is rejected by the Civil Judge. Alankit filed written submissions. The last date in matter was on November 2, 2023

2. Asit C. Mehta Investment Interrmediates Limited (ACMIIL) vs. Brajesh Construction Private Limited (Brajesh)

   ACMIIL had raised demand on Brajesh for Rs. 32,30,360/-. Brajesh made counter claim of Rs. 1,19,38,240/- requesting for refund of amount already paid. The Arbitral Tribunal has ruled in ACMIIL's favor and directed Brajesh to make payment of Rs. 32,30,360/- plus interest at the rate of 10% p.a from 15.05.2013 till the date of payment. Since Brajesh did not implement the award, ACMIIL initiated insolvency proceedings against Brajesh in 2018. NCLT has admitted our petition and insolvency proceedings were commenced in January 2019. After multiple hearings in the matter, the Hon'ble NCLT has vide its order dated May 10, 2023 ordered liquidation of Brajesh and appointed a liquidator Ms. Medha for the same. The appointed liquidator has made an public announcement for filing of claims by June 24, 2023. We have filed our claim of Rs. 83,68,290/- (including interest) within due date and the Liquidator has admitted the said claim.

Tax Proceedings initiated against our Company.

Direct Tax

<u>Assessment Year 2017-18 :</u> The Assessing Officer ("AO") vide Demand Notice dated December 26, 2019, under Section 156 and Assessment Order dated December 26, 2019 of the Income Tax Act had assessed Asit C Mehta Investment Interrmediates Limited to be liable to pay pending amount of Rs 75,09,512/- for Assessment Year 2017-18. Asit C Mehta Investment Interrmediates Limited has filed an appeal before the Commissioner of Income (Appeals) against the order of the AO under Section 35 of the Income Tax Act. The matter is currently pending.

Indirect Tax

There are no cases pertaining to Indirect Tax

Particulars	**No. of Cases**	**Amount Involved (in ₹)**
Direct Tax	1	AY 2017-18 Addition of Rs. 3,13,00,995/- Tax Amount Rs. 75,09,512/-.
Total	**1**	**Rs. 75,09,512/-**

STATEMENT OF 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, 2023, which materially and adversely 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:

GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are required to obtain licenses or approvals from SEBI, government or regulatory authority for the objects of this Issue.

Pursuant to the issue there may be indirect change in control in its material subsidiary Company i.e Asit C Mehta Investments Interrmediates Limited (ACMIIL). ACMIIL have initiated the process for approval for its registration as Stock Broker, Depository Participant, Portfolio Management and Research Analyst. ACMIIL has received prior approval from SEBI for Stock Broking, Depository Participant & Portfolio Management. Approval for Research Analyst is awaited. Further, ACMIIL is under the process of surrendering its Merchant Banking registration.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorized by a resolution of the Board of Directors passed at its meeting held on [●], pursuant to Section 62(1) (a) and other applicable provisions of the Companies Act, 2013.

The Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹151.44/- per Rights Equity Share (including a premium of ₹141.44 per Rights Equity Share) and Rights Entitlement as 133 Rights Equity Share for every 200 Equity Shares held on the Record Date aggregating up to ₹ 4,987.60 lakhs. The Issue Price of ₹151.44 per Rights Equity Share and has been arrived at by our Company prior to determination of the Record Date. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter dated [●] issued by BSE for listing of the Rights Equity Shares to be allotted pursuant to the Issue.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "***Terms of the Issue***" beginning on page 179.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

The companies with which our Promoters or our Directors are associated as promoters or directors have not been debarred from accessing the capital market by SEBI. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Prohibition by RBI

Neither our Company, nor our Promoters, and Directors have been categorized or identified as willful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the Reserve Bank of India.

Association of our Directors with the securities market

We confirm that none of our director(s) is associated with the securities market in any manner except for trading on day-to-day basis for the purpose of investment.

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

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

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 2013. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Equity Shares pursuant to the Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATIONON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company and our Directors

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 our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

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

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. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Our Company and its 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 in respect of Jurisdiction

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

Disclaimer Clause of BSE

BSE Limited ("the **Exchange**") has given *vide* its letter dated **[●]**, permission to our Company to use the Exchange's name in this Draft Letter of Offer as the Stock Exchange on which our Company's securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. The Exchange does not in any manner:

i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
ii. Warrant that our Company's securities will be listed or will continue to be listed on the Exchange; or
iii. Take any responsibility for the financial or other soundness of our Company, our promoters, management or any scheme or project of our Company.

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

Designated Stock Exchange

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

Listing

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Selling Restrictions

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons in to whose possession this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI and the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale here under, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of anytime subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NOTICE TO INVESRTORS IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANYTIME.

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

Our Company, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv)where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARESIS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEWZEAL AND, SULTANATE OF OMAN,

PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES.THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THERE IN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Filing

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

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Investors may contact the Registrar to the Issue or our Legal & Compliance Head for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), email address 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, see "*Terms of the Issue*" beginning at page 179 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Legal&Compliance Head are as follows:

Registrar to the Issue:

Link Intime India Private Limited
Address: C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West) Mumbai 400 083, Maharashtra, India
Telephone: +91 22 49186200
E-mail: asitcmehta.rights@linkintime.co.in
Investor Grievance E-mail: asitcmehta.rights@linkintime.co.in
Contact Person: Sumeet Deshpande
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058
URL of SEBI Website: https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10

Investors may contact the Legal & Compliance Head at the below mentioned address for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment / share certificates/ demat credit/Refund Orders etc.

Legal and Compliance Head

Jaideep P Vaidya ,
Address: Pantomath Nucleus House, Saki Vihar Road,
Andheri East, Mumbai – 400072,
Maharashtra, India
Telephone: +91 022-28583333 / 28570781
Email: cs@acm.co.in

SECTION VII: OFFERING 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, 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 instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("SEBI – Rights Issue Circular"), all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment Advice.

Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, and the ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material (‘Issue Materials’) only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Draft Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Shareholders have not provided their e-mail address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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

- Our Company at https://www.acmfsl.com/
- the Registrar to the Issue at https://www.linkintime.co.in/ and
- the Stock Exchange at https://www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at https://www.linkintime.co.in/ by entering their DP ID and Client ID or Folio Number (in case of Eligible

Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company at https://www.acmfsl.com/

a) Facilities for Application in this Issue:

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, please refer to Paragraph titled "***Procedure for Application through the ASBA process***" beginning on page 190 of this Draft Letter of Offer.

Please note that subject to SCSBs complying with the requirements of 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 02, 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.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, 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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

b) Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

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 dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●] ISSUE – SUSPENSE ESCROW DEMAT ACCOUNT") opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date, in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the

Registrar or our Company at least two Working Days prior to 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.

c) Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 195 of this Draft Letter of Offer.

d) Application for Additional Equity Shares:

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "***Basis of Allotment***" beginning on page 201 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the Renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "***Procedure for Application through the ASBA process***" beginning on pages 190 of the Draft Letter of Offer.

e) Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.linkintime.co.in/
- Updating of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: Link Intime India Pvt Ltd
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.linkintime.co.in/

Renouncees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated April 19, 2023, have authorised this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Board of Directors has in their meeting held on [●] have determined the Issue Price at rs 151.44 per Equity Share. Further the Board of Directors has in their meeting held on [●] has determined the Rights Entitlement as 133 Rights Equity Share(s) for every 200 fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●] respectively. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN: [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, please refer to the section entitled "***Terms of the Issue***" beginning on page 179 of this Draft Letter of Offer.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

Rights Entitlement ("REs") (Rights Equity Shares)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (https://www.linkintime.co.in/) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company: https://www.acmfsl.com/.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is 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 escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the 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, 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. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible 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.

The Draft Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Shareholders have provided their valid e-mail address, the Draft Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their email address, then the Draft Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites.

The distribution of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, 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, Application Form should not, in connection with the issue of the persons receiving a copy of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Rights Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹151.44 per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board of Directors of our Company, at its meeting held on [●], has determined the Issue Price.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 133 Rights Equity Share(s) for every 200 Equity Share(s) held on the Record Date.

Rights of instrument holder

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

Terms of Payment

The entire amount of the Issue Price of ₹151.44 per Rights Equity Share shall be payable at the time of Application.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 133 Rights Equity Share(s) for every 200 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 200 Equity Share(s) or not in the multiple of 200, 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 as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 220 Equity Shares, such Shareholder will be entitled to 133 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 200 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 133 Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the

Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN no. [●] for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE041B01014 on BSE (Scrip Code: 530723). The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated [●] and [●] respectively. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE . The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will within four days forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid within four days, then our Company and every Director who is an officer in default shall, on and from such expiry of four days, be liable to repay the money, with interest as applicable. For details of trading and listing of Rights Equity Shares, please refer to the heading "***Terms of Payment***" beginning on page 179 of this Draft Letter of Offer.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 40 of this Draft Letter of Offer

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

General terms of the Issue Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized 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 such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

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 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 effected unless the securities are held in the dematerialized form with a depository.

Notices

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible 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.

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. Our Office is located in Mumbai and Maharashtra is also the regional language at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and 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, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Draft Letter of Offer, 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.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 179 of this Draft Letter of Offer

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

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent to the Eligible Shareholders only to:

- E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- E-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that our Company shall be responsible for delay in the receipt of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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

- Our Company at https://www.acmfsl.com/
- the Registrar to the Issue at https://www.linkintime.co.in/; and
- the Stock Exchange at https://www.bseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., https://www.linkintime.co.in/) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., https://www.acmfsl.com/). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single

Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date, after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares 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. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details please refer to ***"Grounds for Technical Rejection***" beginning on page 179 of this Draft Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "***Applications on Plain Paper under ASBA process***" beginning on page 179 of this Draft Letter of Offer.

Options available to the Eligible Equity Shareholders

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and other issue materials would also be available on the website of the Registrar to the Issue at https://www.linkintime.co.in/ and link of the same would also be available on the website of our Company at (https://www.acmfsl.com/). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "***Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form***" beginning on page 195 of this Draft Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 . For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

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

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

Acceptance of this Issue

Investors may accept this Issue and 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. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 192 of this Draft Letter of Offer.

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 Rights 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. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE in the manner prescribed under the section titled "***Terms of the Issue***" beginning on page 179 of this Draft Letter of Offer. 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 prescribed under the section "***Basis of Allotment***" beginning on page 201 of this Draft Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, 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 stockbroker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accepts 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 Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] 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 stockbrokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement 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 stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date to enable Renouncees 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.

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.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. 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 address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchanges to provide requisite details.

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

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

- Name of our Issuer, being Asit C. Mehta Financial Services Limited;
- 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);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;

- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹151.44 per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR 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;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 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);
- Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application 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 said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

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

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

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

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://www.linkintime.co.in/ Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form is [●]. 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 provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue on or before the close of banking hours on 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 Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "***Terms of the Issue - Basis of Allotment***" beginning on page 201 of this Draft Letter of Offer.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through 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.

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, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 hereinafter.

Mode of payment for Resident Investors

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. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right 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, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

  Note:

  In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Draft Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non- Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

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

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e- mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. 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;
3. The remaining procedure for Application shall be same as set out in "***Applications on Plain Paper under ASBA process***" beginning on page 192 of this Draft Letter of Offer.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, 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.

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.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "*ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS*" BEGINNING ON PAGE 202 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

a) Please read the Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to 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.
c) Please read the instructions on the Application Form sent to you.
d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
e) Application should be made only through the ASBA facility.
f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "***Applications on Plain Paper under ASBA process***" beginning on page 192 of this Draft Letter of Offer.
h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

j) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.
k) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
m) 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.
n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
o) 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.
p) 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.
q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address 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.
r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
u) 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.

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

a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, 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.

b) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section entitled "***Applications on Plain Paper under ASBA process***" beginning on page 192 of this Draft Letter of Offer.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or 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.

d) 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.

e) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

f) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

g) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

h) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

i) Do not pay the Application Money in cash, by money order, pay order or postal order.

j) Do not submit multiple Applications.

k) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

l) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do’s:

a) Ensure that the Application Form and necessary details are filled in.

b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.

d) Investors should provide correct DP ID and client ID/ folio number 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, the SCSBs or the Registrar will not be liable for any such rejections.

Don’ts:

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

b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
d) Do not pay the Application Money in cash, by money order, pay order or postal order.
e) Do not submit multiple Applications.

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 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 Rights 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 and have signed the same.
f) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021.

Don'ts for Investors applying through ASBA

a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

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

a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
c) Sending an Application to our Company, the Registrar, 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 the 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 (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS 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.

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.

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 authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment Advice and the email intimating unblocking of ASBA Account 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.

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 s are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "***Investment by Mutual Funds***" beginning on page 206 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in "***Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue***" beginning on page 40 of this Draft Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: Our Board may, however, decide 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).
**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*
****Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date.*
Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company 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 Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional 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 Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities 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 have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall 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 unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also 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 shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be ‘unsubscribed’ for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advices/Refund Orders/ Unblocking of ASBA Accounts

Our Company will issue and dispatch Allotment Advice, refund instructions or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days’ period.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional 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 be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment Advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 4 days of the Issue Closing Date.

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

Payment of Refund

Mode of making refunds

In case of Applicants not eligible to make an application through ASBA process, 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:

1. Unblocking amounts blocked using ASBA facility- The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to Non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 4 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialised Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNTWHERE 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:

- Tripartite agreement dated May 30, 2014, amongst our Company, NSDL and the Registrar to the Issue; and
- Tripartite agreement dated January 22, 2009, amongst our Company, CDSL and the Registrar to the Issue

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the 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.

- 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.

- 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 whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment Advice, refund order/unblocking (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

- Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

- Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.

- 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.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" beginning on page 188 of this Draft Letter of Offer.

Investment 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. The FPIs who wish to participate in the Issue are advised to use the ASBA 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, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and
(iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("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.

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.

Applications will not be accepted from FPIs in restricted jurisdictions.

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹2 Lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹2 Lakhs.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where 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 issuance of the Right Shares to Restricted Investors will also require a 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 of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Investment 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 NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth 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.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

i. *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
ii. *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*
iii. *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 ₹10 Lakhs 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 ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹10 Lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹50 Lakhs or with both.

Dematerialised Dealing

Our Company has entered into tripartite agreements dated May 30, 2014 and January 22, 2009 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE041B01014.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through 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 unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or beforeT+1 day (T being the date of finalisation of Basis of Allotment)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.

Utilization of Issue Proceeds

Our Board of Directors declares that:

a. All monies received out of the Issue shall be transferred to a separate bank account;
b. Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
c. Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

d. Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

Undertakings by our Company

Our Company undertakes the following:

a. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
b. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
c. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
d. 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.
e. No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
f. In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
g. Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
h. At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
i. Our Company shall comply with all disclosure and accounting norms specified by the SEBI from timeto time.
j. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

The objects of the Issue involve financing other than the financing of capital expenditure for a project. Further, Cliqtrade Stock Brokers Private Limited, one of our Promoters have undertaken that they will subscribe fully to the extent of the Promoters' rights entitlement and that they shall not renounce their rights (except to the extent of renunciation by any of them in favour of any other Promoter or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirement under the SCRR and the SEBI Listing Regulations. Accordingly, minimum subscription criteria are not applicable to the Issue.

Filing

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

Withdrawal of the Issue

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

Important

Please read the Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "***Risk Factors***" beginning on page 21 of this Draft Letter of Offer.

All enquiries in connection with this Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "[●]" on the envelope to the Registrar at the following address:

INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed ***"Asit C Mehta Financial Services Limited– Rights Issue"*** on the envelope and postmarked in India or in the e-mail) to the Registrar at the following address:

   Link Intime India Private Limited
   C-101, 247 Park, L B S Marg
   Vikhroli (West), Mumbai – 400 083
   Telephone: +91 22 49186200
   E-mail id: asitcmehta.rights@linkintime.co.in
   Investor grievance e-mail id: asitcmehta.rights@linkintime.co.in
   Contact person: Sumeet Deshpande
   Website: www.linkintime.co.in
   SEBI registration number: INR000004058

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91(22) 4918 6200.

This Issue will remain open for a minimum 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue.

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (FIFP) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("FDI Policy 2020"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must 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 FIFP.

The transfer of shares between an Indian resident and a non-resident does not need prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA, and the 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.

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003, and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), including the exemption under Regulation S ("Regulation S") of the U.S. Securities Act.

The above information is given for the benefit of the Applicants / Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this 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.

SECTION VIII: STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts (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 the Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10.00 a.m. to 5.00 p.m. on all working days from the date of the Draft Letter of Offer until the Issue Closing Date. Additionally, any person intending to inspect the above-mentioned contracts and documents electronically may do so, by writing an email to compliance@acm.co.in.

A. Material Contracts for the issue

- Registrar Agreement dated July 25, 2023 between our Company and the Registrar to the Issue.
- Escrow Agreement dated **[●]** amongst our Company, the Registrar to the Issue and the Bankers to the Issue.

B. Material Documents

- Certificate of incorporation of our Company and certificate of incorporation consequent upon change in name of our Company.
- Certified copies of the updated Memorandum of Association and Articles of Association of our Company.
- Resolution of our Board dated April 19, 2023 in relation to approval of the Issue and other related matters.
- Resolution of the Board of Directors dated August 26, 2023, approving and adopting the Draft Letter of Offer.
- The Audited Consolidated Financial Statements for the year ended March 31, 2023 included in this Draft Letter of Offer.
- Annual Reports of our Company for Fiscal 2023, 2022, 2021, 2020 and 2019.
- Consents of our Directors, Company Secretary and Compliance Officer, KMP, SMP, Statutory Auditor, Banker(s) to the Issue, the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
- Statement of Special Tax Benefits available to our Company and its shareholders and its Material Subsidiaries under the applicable laws in India and respective country (in case of Material Subsidiaries) is issued by our Statutory Auditors, M/s. Manek and associates, Chartered Accountants.
- In principle approval dated [●] issued by BSE under Regulation 28(1) of the SEBI Listing Regulations.
- Tripartite Agreement dated May 30, 2014 between our Company, Registrar to the Issue and NSDL.
- Tripartite Agreement dated January 22, 2009 between our Company, Registrar to the Issue and CDSL.

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 with applicable law.

DECLARATIONS

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Letter of Offer is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all the disclosures and statements made in this Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF THE COMPANY

Name	Signature
Asit Chimanlal Mehta	**Sd/-**
Chairman and Non-Executive – Non-Independent Director	
Deena Asit Mehta	**Sd/-**
Non-Executive – Non-Independent Director	
Pundarik Sanyal	**Sd/-**
Non-Executive - Independent Director	
Madhu Lunawat	**Sd/-**
Non-Executive – Non-Independent Director	
Ambareesh Bhaskar Baliga	**Sd/-**
Non-Executive – Independent Director	
Yagnesh P. Parikh	
Non-Executive – Independent Director	**Sd/-**
Binoy Kantilal Dharod	**Sd/-**
Chief Financial Officer	