

SUNSHINE CAPITAL LIMITED

Our Company was originally incorporated on July 11, 1994 in Delhi as 'Sunshine Capital Private Limited' as a Private limited company under the erstwhile Companies Act, 1956 and subsequently converted into public limited Company on March 09, 1995. Fresh Certificate of Incorporation consequent upon change of name on conversion to public Limited Company was granted by the Registrar of Companies, Delhi and Haryana.

Corporate Identification Number: L65993DL1994PLC060154;

Registered Office: 209 Bhanot Plaza II 3 D B Gupta Road New Delhi-110055, Delhi, India;

Telephone: +91-9891709895, **E-mail id:** sunshinecapital95@gmail.com

Website: www.sunshinecapital.in, **Contact person:** Amit Kumar Jain, Company Secretary and Compliance Officer

PROMOTERS OF OUR COMPANY: PRITI JAIN, BABITA JAIN, SURENDRA KUMAR JAIN AND VIRENDRA JAIN

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SUNSHINE CAPITAL LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO [●] PARTLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UPTO ₹4900.00 LAKHS# ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES 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 132 OF THIS DRAFT LETTER OF OFFER.

#Assuming full subscription and receipt of all Call Monies with respect to the Rights Equity Shares.

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE*(Revised)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	[●]	[●]	[●]
On One or more subsequent Call(s) as determined by our Board and, or the Rights Issue Committee at its sole discretion, from time to time	[●]	[●]	[●]
Total	10	[●]	[●]

* For further details on Payment Schedule, see "Terms of the Issue" on page 132.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 25 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 Draft 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 are listed on BSE Limited ("BSE" and the "Stock Exchanges"). 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 application 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.

REGISTRAR TO THE ISSUE



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

SEBI Registration Number: INR000003241, CIN: U74899DL1995PTC071324,

Address : D-153 A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020, Contact Person: Mr. Anuj Rana

Tel No.:91-11-40450193-97 & 011-26812682-83, Email.: ipo@skylinertta.com,

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSING 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 Renouncee(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

DEFINITIONS

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

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

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

The words and expressions used in this Draft Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled "Industry Overview", "Statement of Tax Benefits", "Financial Information", "Outstanding Litigations, Defaults, and Material Developments" and "Terms of the Issue" on pages 60, 57, 76, 122, and 132 respectively of this Draft Letter of Offer, shall have the meaning given to such terms in such sections.

COMPANY RELATED AND GENERAL TERMS

Term	Description
"Sunshine Capital Limited" or "SCL" / "Our Company", "the Issuer"	Sunshine Capital Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time;
We/ us/ our	Unless the context otherwise indicates or implies, refers to Sunshine Capital Limited;
AoA/ Articles of Association	The Articles of Association of Sunshine Capital Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current Statutory Auditors of our company being M/s Tiwari & Mishra, Chartered Accountants 573, DDA SFS Flats, Pocket-1, Sector-22, Dwarka, New Delhi-110075, Chartered Accountants (FRN 018393N);
Board of Directors/ Board	Board of Directors of our Company;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mrs. Sangeeta;

Term	Description
Company Secretary Cum Compliance Officer	The Company Secretary & Compliance Officer of our Company being Mr. Amit Kumar Jain;
Directors	The director(s) on the Board of our Company, unless otherwise specified.
Eligible Shareholder(s)	Eligible equity holder(s) of the Equity Shares of Sunshine Capital Limited as on the Record Date;
Equity Shares	Equity shares of the Company having face value of ₹10.00 (Rupee Ten only);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled " <i>Our Management</i> " beginning on page 72 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE974F01017;
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled " <i>Our Management</i> " beginning on page 72 of this Draft Letter of Offer;
Managing Director	The Managing Director of our Company being Mr. Surendra Kumar Jain;
Materiality Policy	Policy on Determination and Disclosure of Materiality of Events adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI (LODR) Regulations.
MoA/ Memorandum of Association	The Memorandum of Association of Sunshine Capital Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Section 178 of the Companies Act, 2013;
Non-Executive Director	A Director, not being an Executive Director of our Company;
Promoters	Priti Jain, Babita Jain, Surendra Kumar Jain, Virendra Jain
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI (LODR) Regulations;
Registered Office	209, Bhanot Plaza II, 3 D B Gupta Road, New Delhi-110055, India;
Registrar of Companies/ ROC	Registrar of Companies, Delhi & Haryana;
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof on 16 th March, 2023;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Section 178 of the Companies Act, 2013;
Stock Exchange	BSE Limited;
Audited Financial Results	The audited financial results for the year ended March 31, 2023, including the notes thereto and the report thereon. For details, see "Financial Information" on page 76 of this Draft Letter of Offer;

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Rights Equity Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Date	Date on which the Allotment is made pursuant to the Issue;
Allottees	Persons to whom Rights Equity Shares are issued pursuant to the Issue;
Applicant(s)/ Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to this Issue in terms of the Draft Letter of Offer, being an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable at the time of Application ₹ [●] (Rupees [●] Only) in respect of the Rights Equity Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application used by ASBA Investors to make an application authorizing a SCSB to block the Application Money in the ASBA Account;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.

Term	Description
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020;
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] entered by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares;
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in the Issue, and which is described in the chapter titled " <i>Terms of the Issue</i> " beginning on page 132 of this Draft Letter of Offer;
Call	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making payment of the Call Monies.
Call Monies	<p>The balance amount payable by the holders of the Right Equity Shares pursuant to the payment schedule of Rights Equity Shares, being Rs. [●] per Rights Equity Share after payment of the Application Money.</p> <p>For further details, see "Terms of Issue" beginning on page 132 of this Draft Letter OF Offer.</p>
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity for the purpose of issuing of the Call.
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available at http://https://www.sebi.gov.in/ , or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at

Term	Description
	https://www.sebi.gov.in , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Designated Stock Exchange	BSE Limited;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This Draft Letter of Offer filed with the Stock Exchange dated September 29, 2023;
Eligible Equity Shareholder(s)	Eligible holder(s) of the Equity Shares of Sunshine Capital Limited as on the Record Date;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Fraudulent Borrower	Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI
IEPF	Investor Education and Protection Fund
ISIN	International Securities Identification Number i.e., INE974F01017
Issue/ Rights Issue	<p>Rights Issue of up to [●] Equity Shares of our Company for cash at a price of ₹ [●] (Rupees [●] Only) per Rights Equity Shares not exceeding ₹4900/- Lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●];</p> <p><i>#Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares.</i></p>
Issue Closing Date	[●];
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	₹ [●]/- (Rupees [●]) per Rights Equity Share including a premium of ₹ [●]/- (Rupees [●]) per Rights Equity Share);

Term	Description
Issue Proceeds	The proceeds of the issue that are available to our Company;
Issue Size	Amount aggregating up to ₹ 4,900 lakhs (Rupees Forty-Nine Crore);
Letter of Offer/ LoF	The letter of offer dated [●]
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlement available in their demat account. However, supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
BSE	BSE Limited;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled " <i>Objects of the Issue</i> " beginning on page 53 of this Draft Letter of Offer;
Non-ASBA Investor/ Non- ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	Investor(s), including any company or other body corporate, other than Investor(s) who are QIBs or Retail Individual Investor(s)
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
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 which is in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as trading / selling equity Shares of the Company in accordance with the SEBI Right Issue and the Circulars issued by the Stock Exchanges 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 SEBI (ICDR) Regulations;

Term	Description
Record Date	Designated date for the purpose of determining the eligible Equity Shareholders to apply for Rights Equity Shares, being [●];
Registrar to the Issue	Skyline Financial Services Private Limited;
Registrar Agreement	Agreement dated [●] entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncees	Any person(s) who have/has acquired Rights Entitlements from Eligible Equity Shareholders;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e. [●];
Retail Individual Investors/ RIIs	Individual Investors who have applied for Equity Shares for an amount not more than ₹ 2,00,000./- (Rupees Two Lakhs) (including HUFs applying through their Karta);
Rights Entitlement (s)/ RE's	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being [●] Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.;
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment;
Self-Certified Syndicate Banks/ SCSB(s)	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
SEBI Rights Issue Circulars	Collectively, SEBI circulars 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(s) issued by SEBI in this regard

Term	Description
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter or a Fraudulent Borrower	A Company or person categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or a fraudulent borrowers issued by the RBI, including any Company whose director or promoter is categorized as such;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, working day means all days on which commercial banks in Delhi are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, "Working Day" shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays in accordance with the circular issued by SEBI;

ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
BSE	BSE Limited;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CIT(A)	Commissioner of Income Tax, Appeal;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder;

Term	Description
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections);
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018
Depositories Act	The Depositories Act, 1996;
DIN	Director Identification Number;
DP	Depository Participant;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortisation expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;

Term	Description
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs. / Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;

Term	Description
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent Account Number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SAT	Securities Appellate Tribunal;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;

SEBI Regulations	AIF	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI Regulations	FPI	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI Regulations	(LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI Regulations	(ICDR)	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI Regulations	(SAST)	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act		United States Securities Act of 1933, as amended;
STT		Securities transaction tax;
Trademark Act		Trademarks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
US\$/ Dollar	USD/ US	United States Dollar, the official currency of the United States of America;
USA/ U.S./ US		United States of America, its territories and possessions, any state of the United States of America and the District of Columbia;
U.S. GAAP		Generally Accepted Accounting Principles in the United States of America;
VCF		Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be;

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NOTICE TO INVESTORS

Unless stated otherwise, the financial information and data in this Draft Letter of Offer is derived from our Company's audited financial statements for the financial year ended March 31, 2023, prepared in accordance with applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and/or regulatory requirements.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year. Our Company is an Indian listed company and prepares its financial statements in accordance with applicable accounting standards and guidance notes issued by the ICAI, the applicable provisions of the Companies Act and other statutory and/or regulatory requirements.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER, 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.

NO OFFER IN THE UNITED STATES

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

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

acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

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

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

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

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

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

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

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to "India" contained in this Draft Letter of Offer are to the Republic of India and the "Government" or "GoI" or the "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, all references in this Draft Letter of Offer are in Indian Standard Time. 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 otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please refer to "**Financial Information**" beginning on page 76 of this Draft Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian Accounting Standards ("Ind AS"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("IFRS") and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "Ind AS Rules"). The Financial Statements of our Company for the Financial Years ended March 2021, March 2022 and March 2023 and Unaudited Financial Information for the three months period ended June 30, 2023 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act, 2013 read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Indian Rupees.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see '**Financial Information**' on page 76.

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.

CURRENCY AND UNITS OF PRESENTATION

All references to "India" contained in this Draft Letter of Offer are to the Republic of India, all references to the "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Rupees crores. 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. All references to "India" contained in this Draft Letter of Offer are to the Republic of India and all references to the "US", or the "U.S." or the "USA" or the "United States" is to the United States of America. In this Draft Letter of Offer, references to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "Lakh" or "Lac" mean "100 thousand"; "10 lakhs" means a "million", and; "10,000 lakhs" means a "billion".

All references to "Rupees" or "₹" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US\$", "U.S. Dollar", "USD" or "U.S. Dollars" are to United States Dollars, the official currency of the United States of America.

In this Draft Letter of Offer, our Company has presented certain numerical information. All figures have been expressed in "Lakhs". The amounts derived from financial statements included herein are represented in "Lakhs", as presented in the Audited Financial Statements. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Except as otherwise set out in this Draft Letter of Offer, certain monetary thresholds have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

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FORWARD LOOKING STATEMENTS

Our Company has included statements in this Draft Letter of Offer which contain words or phrases such as "may", "will", "aim", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "seek to", "future", "objective", "goal", "project", "should", "potential" and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

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

- Company's ability to successfully implement our strategy, our growth and expansion, technological changes;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Audience's taste and behavior;
- Uncertainty in relation to continuing effect of the COVID-19 pandemic on our business and operations;
- Inability to successfully obtain registrations in a timely manner or at all;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
- Our failure to keep pace with rapid changes;
- Changes in laws and regulations relating to the industries in which we operate;
- Effect of lack of infrastructure facilities on our business;
- Intensified competition in industries/sector in which we operate;
- Our ability to attract, retain and manage qualified personnel;
- Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
- 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;
- Interest rates and our ability to enforce security;

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 68 and 115 respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking Letter of Offer and are not a guarantee or assurance of future performance. These 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein

as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting

circumstances arising after the date of this Draft Letter of Offer 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.

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SECTION II – SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*" and "*Outstanding Litigations, Defaults and Material Developments*" beginning on pages 25, 53, 68 and 122 of this Draft Letter of Offer, respectively.

PRIMARY BUSINESS OF OUR COMPANY

Summary of Our Business:

We are a non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the Non-Bank Financial Institution (NBFI) activities and fall under category of investment Company bearing Registration No.14.01266 dated September 25, 1998. Our Company is engaged in sale/purchase/trading of equity shares, investments and loans & Advances and other related financial services.

For further details, please refer to the section titled "*Our Business*" beginning on page 68 of this Draft Letter of Offer.

Summary of Industry:

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.

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

OBJECTS OF THE ISSUE

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

Sr. No.	Particulars	Amount in ₹ Lakhs
1.	Gross Proceeds from the Issue#	Upto 4,900.00
2.	Less: Estimated issue related expenses	[•]
	Net Proceeds from the Issue	[•]

#Assuming full subscription and allotment

*The Issue Size will not exceed ₹ 4,900 Lakhs (Rupees Forty-Eight Crores Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

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

(₹ in Lakhs)		
Sr. No.	Particulars	Amount
1.	To augment the existing and incremental working capital requirement of our company	[•]
2.	General Corporate Purposes [#]	[•]
	Total Net Proceeds*	[•]

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

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

For further details, please refer to the section titled "Objects of the Issue" beginning on page 53 of this Draft Letter of Offer.

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company, through their letters dated March 29, 2023 have confirmed that they intend to subscribe in part or to full extent of their Right Entitlements in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

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

Any such subscription for Right Shares over and above the Rights Entitlement of the Promoters of our Company, if allotted, may result in an increase in their shareholding percentage in the Company. The allotment of Right Shares of the Company subscribed by the Promoters in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10 of the SEBI (SAST) Regulations as the case may be. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the audited financial statements for the year ended on March 31, 2023, March 31, 2022, and March 31, 2021.

Particulars	Audited Financial Statements for the Financial Years ending March 31,		
	(₹ in Lakhs)		
	2023	2022	2021
Equity Share Capital	1,302.09	1,302.09	1,302.09
Net Worth	10,257.79	10,046.20	10,767.06
Total Income	771.65	761.60	279.63
Profit / (loss) after tax	211.77	-710.68	126.80
Basic and Diluted EPS	1.37	-5.54	0.69

Net asset value per Equity Share	78.78	77.15	82.69
Total borrowings	-	-	-

SUMMARY OF OUTSTANDING LITIGATIONS

A summary of material outstanding legal proceedings involving our Company, Directors and promoters as on the date of this Draft Letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below.

Name of entity	Criminal proceedings	Statutory or regulatory proceedings	Disciplinary actions by the SEBI or Stock Exchanges	Tax proceedings	Material civil proceedings	Total amount involved (₹ in lakhs)*
Company						
By our Company	Nil	Nil	Nil	2*	Nil	6849.307 Lakhs
Against our Company	Nil	Nil	Nil	Nil	Nil	Nil
Promoters and Directors						
By our promoters and Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against our promoters and Directors	Nil	3**	Nil	Nil	Nil	Nil

*To the extent quantifiable

** Includes proceedings where notices have been received by our Promoter, but penalty amount has not been ascertained.

For details, please refer to chapter titled "Outstanding Litigations and Defaults and Material Developments" beginning on page 122 of this Draft Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled "Risk Factors" beginning on page 25 of this Draft Letter of Offer.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Financial Statements, please refer to the section titled "Financial Information" beginning on page 76 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as reported in the Financial Statements, please refer to the section titled "Financial Information" beginning on page 76 of this Draft Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

Our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Draft Letter of Offer.

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SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment.

Our Company's actual results could differ materially from those anticipated in the section titled "Forward Looking Statements" on page 19 of this Draft Letter of Offer as a result of certain factors, including the considerations described below. If any of the following risks actually occur, our business, financial condition, results of operations and prospects could suffer, the trading price of our Equity Shares and the Rights Shares could decline and you may lose all or part of your investment. You should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in other countries.

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.

INTERNAL RISK FACTORS

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

Our operational liquidity and overall profitability are significantly contingent upon the prompt availability of capital, encompassing both debt and equity, while considering associated costs. Our enterprise's vitality relies on our ongoing capacity to tap into diversified, cost-efficient funding sources. Operating within the financial services sector, we are confronted with distinct regulatory limitations pertaining to securing financing from banking institutions.

Our pursuit of an expansion-oriented strategy and the introduction of novel products to our clientele will inevitably influence our enduring capital requisites. As our business expands, we could find ourselves increasingly dependent on securing funds from the debt capital markets. The competitive nature of this market could impact our ability to acquire funds at rates that rival or outperform our competitors. In the event we fail to access funds at an effective cost comparable to or better than our rivals, we may struggle to offer competitive loan interest rates.

Our ability to raise capital on favorable terms and at competitive rates remains hinged upon a multitude of factors, spanning the regulatory landscape and policy initiatives in India, market liquidity constraints, global developments impacting the Indian economy, the perception of demand for equity and debt securities from NBFCs (Non-Banking Financial Companies) by investors and lenders, in conjunction with our present and future financial performance and standing.

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

2. Our Company is currently involved in legal and other proceedings. An adverse outcome in such proceedings may have a material adverse effect on our reputation, business, results of operations and financial condition

There are outstanding legal proceedings involving our Company, as on date of this Draft Letter of Offer. If a claim is determined against us, it could have an adverse effect on our results of operations and cash flows. A summary of the pending material litigations against our Company, or our Directors or Promoters are provided below:

a) Litigations involving our Company

i) Cases filed against our Company

(₹ in Lakhs)

Nature of Litigation	No. of matters outstanding	Amount Involved
Direct Tax Matter	Nil	Nil
Indirect Tax Matter	Nil	Nil
Civil litigation	Nil	Nil
Criminal Litigation	Nil	Nil
Other Statutory/Regulatory Authorities	Nil	Nil

ii) Cases/Appeal filed by our Company

(₹ in Lakhs)

Nature of Litigation	No. of matters outstanding	Amount Involved*
Direct Tax Matter	2	6849.307
Indirect Tax Matter	Nil	Nil
Civil litigation	Nil	Nil
Criminal Litigation	Nil	Nil
Other Statutory/Regulatory Authorities	Nil	Nil

*To the extent quantifiable

b) Litigations involving our Directors and Promoters

i) Cases filed against our Directors and promoters

(₹ in Lakhs)

Nature of Litigation	No. of matters outstanding	Amount Involved*
Direct Tax Matter	Nil	Nil
Indirect Tax Matter	Nil	Nil
Civil litigation	Nil	Nil
Criminal Litigation	Nil	Nil
Other Statutory/Regulatory Authorities	3	Unquantifiable

*To the extent quantifiable

Further details, please refer section titled "Outstanding Litigations, Defaults and Material Developments" beginning on page 122 of this Draft Letter of offer.

3. Our revenue is derived from sale of Investment made by our Company. If the financial performance or valuation of investee company reduced in the future it could have an adverse effect on our financial condition of our company.

Our results of operations are substantially dependent upon sale of equity shares held as stock in trade and net gain on fair value change of equity instrument and both component is the largest component of our total income. We have made the investment in equity instrument of Quoted or unquoted shares and these investments by their nature carry a risk of partial or complete loss of capital due to systemic risk inherent in the financial markets and the un-systemic risk specific to the issuer of these instruments. Despite due care taken by the management, in selection of company, quantum of investment and timing of the investments our company may not get returns as expected and may also suffer loss of invested capital.

4. Our Company's financial performance is particularly vulnerable to interest rate volatility.

Our results of operations are substantially dependent upon the level of our Net Interest Margins (NIM %) (our Company's interest income net-of finance costs). Interest income from our financing activities is the largest component of our total income in year 2023. Interest rates and fluctuations thereof are highly sensitive to many factors which are beyond our Company's control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors.

Further higher interest rates may also affect the quality of our Company's assets including risks of higher defaults and rising Non- Performing Assets (NPAs). Alternatively falling interest rates may lead to higher pre-payments and may expose our Company to reinvestment risks. Further fluctuations in interest rates may affect our Company's ability to manage its assets and liabilities effectively and may expose our Company to liquidity risks and duration risks.

5. The risk of non-payment or default by borrowers may adversely affect our Company's financial condition and results of operations. If our Company is unable to manage the level of NPAs in its loan assets, its financial position and results of operations may suffer.

Beside macroeconomic conditions, our Company also faces risks specific to each segment of its business, which may also result in increased defaults. In particular, the unsecured lending segment is susceptible to higher probability of default. Our Company cannot be certain that its risk management systems will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, particularly for individual borrowers, could adversely affect its business, future financial performance and results of operations.

Our Company cannot be certain, and cannot assure you, that it will be able to maintain or improve its collections and recoveries in relation to NPAs across its business segments, or otherwise control its level of NPAs in the future. Moreover, as our Company's loan portfolio matures, it may experience greater defaults in principal and/or interest payments. Thus, if our Company is not able to control or reduce its level of NPAs, the overall quality of its loan portfolio may deteriorate and its results of operations may be adversely affected.

6. Our Company's customer base significantly comprises of individuals and/or small and medium enterprise segment borrowers, who generally are more likely to be affected by declining economic conditions than larger corporate borrowers.

Individuals belonging to the salaried class and small and medium enterprise segment borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. A significant majority of our Company's customer base belongs to the small and medium enterprises sector.

Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about small and medium enterprises. It is therefore difficult to carry out a precise credit risk analysis on such customers. Although our Company believes that its risk management controls are sufficient, it cannot be certain that they will continue to be sufficient or that additional risk management policies for individual and/or small and medium enterprise borrowers will not be required. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our Company's credit portfolio,

which could have a material and adverse effect on its results of operations and/or financial condition.

7. We have experienced negative cash flows in relation to our operating activities, investment activities and financing activities in last 3 years/periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

The following table sets forth net cash inflow/(outflow) from operating, investing and financing activities for fiscal year 2023, 2022 and 2021.

(₹ in Lakhs)

Particulars	31 Mar-2023	31 Mar-2022	31 Mar-2021
Net Cash from operating activities	150.19	(91.59)	1,131.29
Net cash used in investing activities	348.24	594.72	(134.26)
Net cash used in Financing Activities	28.64	96.51	(924.03)

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

8. Our Registered Office and other premises from where we operate are not owned by us. If we are required to vacate the same, due to any reason whatsoever, it may adversely affect our business operations.

Our Registered office is owned by our Promoter- Mr. Surendra Kumar Jain and “No Objection Letter” has been obtained from him for using the premises as the registered office address for our company and no rent payment is being made by us for usage of premises. Although, we have complied with all the terms of such NOC, in the event there is any breach or violation or if our promoter decides to withdraw his NOC, we may be required to vacate the premises and we may be required to look for alternate premises, which we may not be able to find at terms favourable to our Company. In such an event, it will adversely affect our business operations and our financial condition.

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

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

There has been, on few occasions, inadvertent Non-Compliances/ Delay Compliances done by our Company as required under the provisions of SEBI LODR Regulations. We believe, we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/Non filing/ Delay Filing to the BSE or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

10. Our Company requires substantial capital for its business operations. Any inability to acquire capital on preferred terms, whether in a timely manner, or at all, may have an adverse impact on the operations and/or profitability of our Company.

Changes in economic and financial conditions including a lack of liquidity in the market, could adversely affect its ability to access funds at competitive rates. Any disruption in its ability to access its funding sources at competitive costs could adversely affect its liquidity and financial condition.

Our Company's business thus depends and will continue to depend on its ability to access several funding sources. Our Company's ability to raise funds on acceptable terms and at competitive rates depends on various factors including its current and future results of operations and financial condition, its risk management policies, its credit ratings, its brand equity, the regulatory environment and policy initiatives in India, developments in the international markets affecting the Indian economy, and the perceptions of investors and lenders of the demand for debt and equity securities of NBFCs.

11. Our Company's competitiveness may be adversely affected if it is unable to adequately assess, monitor and manage risks inherent to its business.

Our Company is exposed to a variety of risks, including liquidity risks, interest rate risks, credit risks, operational risks and legal risks. Our Company's risk management techniques may not be fully effective in mitigating all or most of its business risks. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets and customers amongst other factors. This information may not in all cases be accurate, complete, current, and/or properly evaluated. Although our Company has established these policies and procedures, they may not be fully effective. Our Company's future success will depend, in part, on its ability to respond to new technological advances and evolving finance sector standards and practices in a cost-effective and timely manner. The development and implementation of such technology entails significant costs. There can be no assurance that our Company will successfully implement new technologies or adapt its transaction-processing systems to customer requirements in a timely manner or at all.

12. Our Company operates in a highly regulated industry and must constantly adapt to new and changing regulatory requirements. Any inability to manage these requirements in a cost effective and timely manner, or at all, could adversely affect the operations and/or profitability of our Company.

Our Company is regulated principally by, and has reporting obligations to, the RBI. The regulatory and legal framework governing our Company may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted, and reforms

have been implemented which are intended to provide tighter control and more transparency in India's asset finance sector.

The laws and regulations governing the banking and financial services industry in India have become increasingly complex and cover a wide variety of issues, such as interest rates, liquidity, investments, money laundering, accounting policies, privacy, etc. Our Company is subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. Any regulatory changes, such as an increase in the minimum capital adequacy requirement for deposit taking NBFCs such as our Company, could, for our Company, result in the imposition of restrictions on our Company's operations, additional costs, and/or the requirement for raising additional capital, all of which could in turn, adversely affect our Company's operations and/or profitability.

13. Our Company may not be able to maintain and/or adequately enhance its current levels of profitability due to increased operating costs.

Our Company's operating costs are affected by (a) our Company's business strategy of maintaining a high level of ongoing interaction with its customers, and (b) monitoring and regularly complying with industry related regulatory requirements, which include regular reporting requirements. Our Company believes that its involvement with its customers is an important part of developing relationships, identifying new cross selling opportunities and monitoring performance. These operating costs however can adversely affect our Company's profitability if not managed properly.

14. Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our results of operations.

Our businesses are subject to rapid and significant changes in technology. Although we strive to keep our technology in accordance with the latest international technological standards, the technologies currently employed may become obsolete or may be subject to competition from new technologies in the future. The cost of implementing new technologies or expanding capacity could be significant and could adversely affect our results of operations.

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

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which

are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense.

16. We are exposed to fluctuations in the market values of our investment and other asset portfolio.

Recent turmoil in the financial markets has adversely affected economic activity globally, including in India. Continued deterioration of the credit and capital markets could result in volatility of our investment earnings and impairments to our investment and asset portfolio, which could negatively impact our financial condition and reported income.

17. Our insurance coverage may not adequately protect us against losses.

We maintain such insurance coverage that we believe, at present, is adequate for our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. We maintain general liability insurance coverage including coverage for errors or omissions.

We cannot, however, assure you that the terms of our insurance policies will be adequate to cover any damage or loss suffered by us or that such coverage will continue to be available on reasonable terms or will be available in sufficient amounts to cover one or more large claims or that the insurer will not disclaim coverage as to any future claim.

18. Current and proposed laws and regulations regarding the protection of personal data could result in increased risks of liability or increased cost to us or could limit our Company's service offerings.

We are required to keep confidential certain details of our customers. In the event of any breach or alleged breach of our confidentiality arrangements with our customers, these customers may initiate litigation against us for breach of confidentiality obligations. Moreover, if our customers' confidential information is misappropriated by us or our employees, our customers may seek damages and compensation from us. Claims of misappropriation of confidential information or the intellectual property of our customers against us, if successful, could have a material adverse effect on our business, financial condition and results of operations. Even if such claims against us are unsuccessful, they may cause reputational harm and substantial cost.

19. We have entered into a related party transactions in the past and may continue to enter into related party transactions, which may involve conflicts of interest.

All related party transactions that we enter into are subject to an approval by our Audit Committee, Board, or Shareholders, as required under the Companies Act, SEBI LODR Regulations and our related party transactions policy. In the past we had entered into related party transactions, within the meaning of Ind AS-24. While we believe that all such transactions have been conducted on an arm's length basis, in accordance with our related party transactions policy, applicable provisions of the Companies Act and SEBI LODR Regulations and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

It is likely that we may enter into related party transactions in the future. Such transactions may give rise to potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favour.

20. As on the date of this Draft Letter of Offer, no investor complaints outstanding on SCORES.

As on the date of this Draft Letter of Offer, the investor complaints outstanding on SCORES is NIL. But there is no assurance that in future the Company will be able to resolve each and every investor complaint received on SCORES.

EXTERNAL RISK FACTORS

21. A significant change in the central and state governments' economic liberalization and deregulation policies and any kind of change in taxation laws could also adversely impact our financial condition and results of operations.

Our performance and growth are dependent on the health of the Indian economy and more generally the global economy. There are various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors by which the economy could be adversely affected.

The Government has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and political, economic or other developments in or affecting India. Any such change in the Government's policies in the future could adversely affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

22. Our future operations are difficult to predict because any unfavourable changes in the factors affecting our operations, including the economic, political, legal or social environments of the locations in which we operate may adversely affect our operating results and profitability.

- General economic and business environment in India;
- Our ability to successfully implement our strategy and growth plans;
- Our ability to compete effectively and access funds at competitive cost;
- Effectiveness and accuracy of internal controls and procedures;
- Changes in domestic or international interest rates and liquidity conditions;
- Defaults by customers resulting in an increase in the level of non-performing assets in our portfolio;
- Rate of growth of our loan assets and ability to maintain concomitant level of capital;
- Change in tax benefits and incentives and other applicable regulations, including various tax laws;
- Our ability to retain our management team and skilled personnel;
- Change in laws and regulations that apply to NBFCs and financial services companies in India;
- and Change in political conditions in India All of the above factors may affect our revenues and therefore have an impact on our operating results and profitability.

All the above factors may affect our revenues and therefore have an impact on our profitability.

23. Regional hostilities, terrorist attacks, civil disturbances or social unrest, regional conflicts could adversely affect the financial markets and the trading price of the Equity Shares could decrease.

India has also experienced social unrest in some parts of the country. If such tensions occur in other parts of the country leading to overall political and economic instability, it could have

a materially adverse effect on our business, future financial performance and the price of the Equity Shares.

24. *The novel coronavirus pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition, and cash flows and further impact will depend on future developments, which are highly uncertain.*

The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period. Currently, there is medical uncertainty regarding COVID-19 and this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. In case due to any consequent wave of Coronavirus, if long-term lockdown is imposed in the country or the state in which we perform our business, we may face losses and our business operations could be severely impacted.

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

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

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

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

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

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

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding

regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

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

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

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

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

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

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies.

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

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

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

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

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

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

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

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

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

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

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

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such

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

ISSUE RELATED RISK

32. SEBI has recently, by way of Rights Issue Circulars 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 Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021, April 22, 2021 and October 01, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner 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 132 of this Draft Letter of Offer.

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 Right 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 Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being [●] Limited-Unclaimed Suspense Account with [●] Private Limited) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings.

33. Non-receipt of complete Call Money may have an impact of a consequential shortfall in Net Proceeds.

The Call(s) shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call(s) may be revoked or postponed at the discretion of our Board, from time to time. Our Company, at its sole discretion, may send one or more reminders for the Call(s) as it deems fit, and if it does not receive the Call Money as per the timelines stipulated, it would forfeit the Application Money. Non-receipt of complete Call Money and a consequential forfeiture of the Application Money may lead to a shortfall in the Net Proceeds, which may have to be met out of internal accruals and may impact our business and our growth plans. For details, see 'Objects of the Issue' on page 53 of this Letter of Offer.

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. 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.

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

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account to be opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar to the Issue 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 to the Issuer not later than two Working Days prior to the Issue Closing Date, shall lapse. For details, see "Terms of the Issue – Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 150 of this Draft Letter of Offer.

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

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as

stated in the SEBI circulars dated January 22, 2020 and May 6, 2020, read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 132 of this Draft Letter of Offer. In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

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

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

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

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

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have

not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

39. 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.

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

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

41. 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 applicable laws and regulations and the requirements of the BSE, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Rights Equity Shares to be submitted. Accordingly, there could be a delay in listing the Rights Equity Shares on the BSE. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled "Terms of the Issue" beginning on page 132 of this Draft Letter of Offer.

42. 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.

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

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

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

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

45. 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.

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

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

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

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

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

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

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SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on Thursday, 16th day of March 2023, pursuant to Section 62(1)(a) of the Companies Act 2013. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on [●].

The following is a summary of this Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "**Terms of the Issue**" beginning on page 132 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	1,30,20,900 Equity Shares
Rights Equity Shares proposed to be issued	Up to [●] Equity Shares
Equity Shares outstanding after the Issue (#Assuming full subscription and receipt of all Calls Monies with respect to the Rights Equity Shares)	[●] Equity Shares
Rights Entitlement	[●] Equity Shares for every [●] fully paid up Equity Shares held on the Record Date
Record Date	[●]
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable laws
Face Value per Equity Share	₹10/- (Rupee Ten Only) each
ISIN for Rights Entitlements	[●]
Issue Price per Equity Share	₹ [●]/- (Rupees [●] Only) including a premium of ₹ [●]/- (Rupees [●] Only) per Rights Equity Share
Issue Size	Up to ₹ 4900.00/- Lakhs #To be adjusted as per the right entitlement ratio
Terms of the Issue	Please refer to the section titled " Terms of the Issue " beginning on page 132 of this Draft Letter of Offer
Use of Issue Proceeds	Please refer to the section titled " Objects of the Issue " beginning on page 53 of this Draft Letter of Offer
Security Code/ Scrip Details#	ISIN: INE974F01017 BSE Scrip Code: 539574 ISIN for Rights Entitlements: [●]

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

Terms of Payment**(Amount in ₹)**

Amount Payable per Right Equity Share	Face Value	Premium	Total
On Application	[•]	[•]	[•]
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	[•]	[•]	[•]
Total	10	[•]	[•]

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

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GENERAL INFORMATION

Our Company was originally incorporated as "Sunshine Capital Private Limited" as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 11, 1994, issued by Registrar of Companies, N.C.T of Delhi & Haryana. Subsequently our company was converted into a public limited company vide special resolution passed by our Shareholders in the EoGM held on February 02, 1995, and consequently the name of our Company was changed from "Sunshine Capital Private Limited" to "Sunshine Capital Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated March 09, 1995 by the Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identification Number of our Company is **L65993DL1994PLC060154**.

Our Company is promoted by Mrs. Priti Jain, Mrs. Babita Jain, Mr. Surendra Kumar Jain, Mr. Virendra Jain.

Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with Reserve Bank of India, Department of Non-Banking Supervision, New Delhi Office on September 25, 1998 and falls under category of Investment Company (IC) having Registration Number 14.01266.

The equity shares of our Company were listed on the BSE Limited on January 20, 2016. The ISIN of the Company is INE974F01017.

REGISTERED OFFICE OF OUR COMPANY

SUNSHINE CAPITAL LIMITED

209, Bhanot Plaza II, 3 D B Gupta Road,
New Delhi-110055, India

Tel: +91-9891709895

Email: sunshinecapital95@gmail.com;

Website: www.sunshinecapital.in

CIN: L65993DL1994PLC060154

Registration Number: 060154

ADDRESS OF THE REGISTRAR OF COMPANIES

REGISTRAR OF COMPANIES, DELHI & HARYANA

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

Tel: 011 – 26235703

Email: roc.delhi@mca.gov.in

Website: www.mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

MR. AMIT KUMAR JAIN

209, Bhanot Plaza II, 3 D B Gupta Road,
New Delhi-110055, India

Tel: +91-9214535151

Email: csamitkumarjain@gmail.com

CHIEF FINANCIAL OFFICER

MS. SANGEETA

16/121-122, Jain Bhawan, Faiz Road,
Karol Bagh, New Delhi – 110005

Mob No.: +91-9818747272

Email: asangeeta98@gmail.com

STATUTORY AUDITORS OF OUR COMPANY

TIWARI & MISHRA, CHARTERED ACCOUNTANTS

Address: 573, DDA SFS Flats, Pocket-1, Sector-22,
Dwarka, New Delhi-110075

Tel No.: +91-11-61111215, +91-9810334801

Email: tiwariandmishra@gmail.com

Firm Registration No.: 018393N

Peer Review No.: 014799

REGISTRAR TO THE ISSUE

SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020

Tel: 011 - 40450193-97 & 011-26812682-83

Email: ipo@skylinerta.com

Website: www.skylinerta.com

Contact Person: Mr. Anuj Rana

SEBI Registration Number: INR000003241

BANKERS TO THE ISSUE / REFUND BANK

[•]

LEGAL ADVISOR TO THE ISSUE

CHANDRAMOHAN KHATANA & ASSOCIATES

Advocates & Legal Consultant

Address: F-703, Karkardooma Court, Delhi-110032

Bar Council No.: D-4463/2015

Tel: +91-8470002727

Email: mkhatana027@gmail.com

Contact Person: Mr. Chandramohan Khatana

Our Board of Directors

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

Name	Designation	DIN	Address
Mr. Surendra Kumar Jain	Managing Director	00530035	555, Double Story Market, New Rajinder Nagar, New Delhi-110060
Mr. Bhupendra Kaushik	Independent Director	07016552	Third Floor, 8/2 West Patel Nagar Central Delhi 110008 India
Mrs. Promila Sharma	Independent Director	09735554	H.No 58, Ward no. 9, Mohalla, Raaiyan, P.O. Sujanpur, Pathankot-145023, Punjab, India
Mr. Subodh Kumar	Independent Director	09734308	Flat no. 1007, Floor no. 10, Urvashi Block, V3S Indralok, Nyay Khand-1, Indirapuram, Ghaziabad-201014, Uttar Pradesh, India

Mrs. Priti Jain	Director	00537234	555, Double Story Market, New Rajinder Nagar, New Delhi-110060, India
Ms. Rekha Bhandari	Director	07546484	T-806/ C-7, Sukhdev Nagar Kotla Mubarak Pur, Lodhi Road, Delhi-110003 India

EXPERT

Our Company has received a written consent dated June 07, 2023 from our Statutory Auditors, Tiwari & Mishra, Chartered Accountants to include their name in this Draft Letter of Offer and as an 'expert', as defined under applicable law, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated June 07, 2023, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

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

CREDIT RATING

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

DEBENTURE TRUSTEES

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

MONITORING AGENCY

The Net Proceeds of the Issue will be less than ₹10,000 lakhs. The SEBI ICDR Regulations does not mandate appointment of a monitoring agency for such issues. Our Company will, therefore, not appoint a monitoring agency.

UNDERWRITING AGREEMENT

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

ISSUE SCHEDULE

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

Last Date for credit of Rights Entitlements	[•]
Issue Opening Date	[•]

Last Date for On Market Renunciation of Rights Entitlements*	[•]
Issue Closing Date*	[•]
Finalization of Basis of Allotment (on or about)	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

Note:

#Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the 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 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

Please note that if Eligible Equity Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., [•] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date, i.e., [•].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company and the Registrar to the Issue will not be liable for any loss on account of non-submission of applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are to be submitted well in advance before the Issue Closing Date. For details on submitting Application Forms, please refer to the section titled "**Terms of the Issue**" beginning on page 132 of this Draft Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar to the Issue at www.skylinerta.com after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" under the section titled "**Terms of the Issue**" beginning on page 133 of this Draft Letter of Offer.

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

APPRAISING ENTITY

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

FILING

The Draft Letter of Offer was filed with the Stock Exchanges i.e., BSE Limited to obtain In-Principle approval. The letter of Offer shall be submitted with Stock Exchange and SEBI for information

and dissemination purpose as per the provisions of the SEBI ICDR Regulations. SEBI vide its Amendment regulations i.e., SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 w.e.f. 28.09.2020, has granted certain relaxations with respect to rights issues under the SEBI (ICDR) Regulations. One of those relaxations is the increase of threshold of the rights issue size for filing of the Draft Letter of Offer with SEBI. The threshold of the rights issue size under Regulation 3 of the SEBI (ICDR) Regulations has been increased from ₹1,000 Lakhs to ₹5,000 Lakhs. Since the size of this Issue is below the prescribed threshold, the Draft Letter of Offer had been filed with the Stock Exchange and will not be filed with SEBI.

This Draft Letter of offer is being filed with the Designated Stock Exchange i.e. BSE and submitted with SEBI for information and dissemination.

MINIMUM SUBSCRIPTION

The Objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements; (ii) have also confirmed that they shall not renounce their Rights Entitlements, except to the extent of renunciation within the promoter group. Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

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CAPITAL STRUCTURE

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

(In ₹ lakhs)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
2,01,10,000 Equity Shares of face value of Rs. 10 each	2011.00	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
1,30,20,900 Equity Shares of face value of Rs. 10 each	1302.09	-
Present Issue in terms of this Draft Letter of Offer^(a)		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹ [●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share ^(b)	[●]	[●]
Issued, subscribed and paid-up Equity Share capital after the Issue ^(c)		
[●] ([●]) Equity Shares	[●]	
Upto [●] partly Paid up Equity Shares of Face Value of ₹ 10.00/- each ₹ [●]/- Partly Paid) ^(c)	[●]	
Securities premium account		
Before the Issue (as on March 31, 2023)	9,000.00	
After all the Calls are made in respect of Rights Equity Shares ^(d)	[●]	

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on March 16, 2023.
- (b) On Application, investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●] % of the issue price and the balance ₹ [●] per Rights Equity Share which constitutes [●] % of the Issue price, will have to be paid, on one or more subsequent Call(s) as determined by our Board at its sole discretion.
- (c) Assuming full payment of all calls by holders of Rights Equity Shares.
- (d) Assuming full subscription for and allotment of the Rights Entitlement. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more calls will be as determined by our Board at its sole discretion.

NOTES TO THE CAPITAL STRUCTURE

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

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

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

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

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

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

4. Intention and participation by the promoter and promoter group

The Promoters of our Company, through their letters dated March 29, 2023, have confirmed that they intend to subscribe in part or to full extent of their Right Entitlements in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

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

Any such subscription for Right Shares over and above the Rights Entitlement of the Promoters of our Company, if allotted, may result in an increase in their shareholding percentage in the Company. The allotment of Right Shares of the Company subscribed by the Promoters in this Issue shall be eligible for exemption from open offer Regulations as the case may be. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

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

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

6. Shareholding Pattern of our company

(a) The shareholding pattern of our Company as on June 30, 2023, is as follows:

Particulars	BSE Limited's URL
Summary statement holding of specified securities	https://www.bseindia.com/stock-share-price/sunshine-capital-ltd/scl/539574/shareholding-pattern/
Statement showing shareholding pattern of the Promoter and Promoter Group	
Statement showing shareholding pattern of the Public shareholder	
Statement showing shareholding pattern of the Non Promoter- Non Public shareholder	
Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company.	

The details of shareholders of our Company holding 1% or more of the paid-up capital as on this Draft Letter of Offer: -.

Name of shareholder	No. of fully paid-up equity shares held	No. of Partly paid-up equity shares held	Total nos. shares held.	Shareholding as a % of total no. of shares	Number of shares held in dematerialized form
Priti Jain	2,73,720	-	2,73,720	2.10	2,73,720
Babita Jain	2,54,000	-	2,54,000	1.95	2,54,000
Surendra Kumar Jain	1,88,180	-	1,88,180	1.45	1,88,180
Phool Devi Ghosal	5,37,603	-	5,37,603	4.13	5,37,603
Parmanand Chaubey	2,58,000	-	2,58,000	1.98	2,58,000
Paschim Finance & Chit Fund Pvt.Ltd	14,73,526	-	14,73,526	11.32	14,73,526
Pelicon Finance And Leasing Limited	12,97,003	-	12,97,003	9.96	12,97,003
Victory Software Private Limited	10,34,076	-	10,34,076	7.94	10,34,076
Avail Financial Services Limited	10,50,000	-	10,50,000	8.06	10,50,000
Solomon Holdings Pvt Ltd	9,68,819	-	9,68,819	7.44	9,68,819
Genesis Developers And Holdings Limited	9,31,400	-	9,31,400	7.15	9,31,400
Vip Leasing & Finance Pvt Ltd	2,60,370	-	2,60,370	2.00	58,470
Mani Mala Delhi Properties Pvt Ltd	2,60,000	-	2,60,000	2.00	-
Nandi Mercantiles Private Limited	2,60,000	-	2,60,000	2.00	2,60,000
Euro Asia India Corporation Pvt Ltd	2,60,000	-	2,60,000	2.00	2,60,000
Silvant Investment And Finance Pvt Ltd	2,60,000	-	2,60,000	2.00	2,60,000
Finage Leasing And Finance India Ltd	2,60,000	-	2,60,000	2.00	2,60,000
Danveer Investments Pvt Ltd	2,60,000	-	2,60,000	2.00	2,60,000
Bagh Kothi Investment & Finance Pvt Ltd	2,60,000	-	2,60,000	2.00	2,60,000
Twinkle Mercantiles & Credits Pvt Ltd	2,60,000	-	2,60,000	2.00	-

Edoptica Retail India Limited	2,60,000	-	2,60,000	2.00	-
Perfect Texfeb Private Limited	2,59,000	-	2,59,000	1.99	2,59,000
Virgin Capital Services Private Limited	2,00,000	-	2,00,000	1.54	2,00,000
Lovely Securities Private Limited	2,58,000	-	2,58,000	1.98	2,58,000
Hum Tum Marketing Pvt Ltd	2,50,000	-	2,50,000	1.92	-
National Stock Exchange of India Limited Account Karvy Stock	1,92,000	-	1,92,000	1.47	1,92,000
Carewell Exim Pvt Ltd	1,30,900	-	1,30,900	1.01	-
Total	1,21,56,597	-	1,21,56,597	93.36%	1,07,93,797

7. 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 the Draft Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchanges within 24 hours of such transaction.
8. Our Company does not have any stock option scheme.
9. At any given time, there shall be only one denomination of the equity shares of our Company.
10. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

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SECTION V- PARTICULARS OF THE ISSUE OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

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

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

ISSUE PROCEEDS

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

(₹ in Lakhs)

Particulars	Amount
Gross Proceeds from the Issue [#]	Upto 4,900
Less: Estimated Issue related Expenses	[•]
Net Proceeds from the Issue	[•]

[#] Assuming full subscription and Allotment;

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

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

(₹ in Lakhs)

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

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

^{*}To be determined on finalization of the Issue Price and updated in the Letter of Offer at the time of filing with the Stock Exchange.

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

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

(₹ in Lakhs)

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment of Net Proceeds for the FY ending March 31, 2024	Estimated deployment of Net Proceeds for the FY ending March 31, 2025
1.	To augment the capital base of our company	[•]	[•]	[•]
2.	General Corporate Purposes [#]	[•]	[•]	[•]
	Total Net Proceeds*	[•]	[•]	[•]

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

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

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

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

For further details, please see the section titled "*Risk Factors*" beginning on page 25 of this Draft Letter of Offer.

MEANS OF FINANCE

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

DETAILS OF THE OBJECTS OF THE ISSUE

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

1. To augment the capital base of our Company

We are a Non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the Non-Bank Financial Institution (NBFI) activities under Section 45IA of the Reserve Bank of India Act, 1934. We are primarily engaged in the business of providing short term and long-term funds for Working Capital requirements of businesses and Investment in securities of potentially businesses.

Our primary business revolves around providing both short-term and long-term funding solutions to meet the working capital needs of businesses. Additionally, we engage in investments in securities related to promising businesses. We have plans to allocate entire amount, approximately [●] lakhs, from the funds generated through this offering to expand the Investments in shares and securities. This expansion will enable us to invest in equity markets with a proven track record of Profitability, who meet our eligibility criteria for making investments in shares and securities. Furthermore, we actively invest in equities of various companies, focusing on those with a promising future outlook and strong management expertise. It's important to note that these investments are made using our own funds, and none of the allocated amount for this purpose will be directed towards loans for our Promoters or Promoter Group.

2. General Corporate Purpose

The remaining Net Proceeds (if any) after fulfilling the specific allocation mentioned earlier, we intend to allocate them for general corporate purposes. However, the amount used for general corporate purposes will not exceed 25% of the Gross Proceeds.

These funds designated for general corporate purposes will be employed to facilitate the growth of our business. This includes, but is not limited to, supporting our expansion opportunities, bolstering our marketing capabilities, conducting brand-building exercises, pursuing strategic initiatives, and any other purposes allowed by relevant laws. All such utilization will be subject to compliance with regulatory requirements and obtaining necessary approvals or consents, as required.

EXPENSES FOR THE ISSUE

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

(₹ in Lakhs)

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

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

APPRAISAL OF THE OBJECTS

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

STRATEGIC AND/ OR FINANCIAL PARTNERS

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

BRIDGE FINANCING FACILITIES

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

INTERIM USE OF FUNDS

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

MONITORING OF UTILIZATION OF FUNDS

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

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

VARIATION IN OBJECTS

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

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

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

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

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STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Sunshine Capital Limited,
209, Bhanot Plaza II, 3 D B Gupta
Road, New Delhi-110055

Dear Sirs,

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

In connection with the Issue by the Company, we report that the enclosed Annexure, prepared by the Company states the possible special tax benefits available to the Company, its shareholders under direct tax laws including the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "Income Tax Laws"), i.e. applicable for Financial Year 2023-24 relevant to the Assessment year 2024-25 presently in force in India, available to the Company and its shareholders of the Company. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders to derive the possible special direct tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfil. The benefits discussed in the enclosed Annexure cover only special direct tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company or its shareholders. The preparation of the contents stated in the Annexure is the responsibility of the Company's Management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific direct tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest in the Issue based on this Annexure. The benefits discussed in the Annexure are only intended to provide the direct tax benefits to the Company, its shareholders in a general and summary manner and does not purports to be complete analysis or listing of all the provision or possible tax consequences of the subscription, purchase, ownership or disposal, etc. of the shares. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Annexure.

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

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

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

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

Yours faithfully,

**For Tiwari & Mishra,
Chartered Accountants
Firm Registration No.: 018393N**

**CA Manindra K Tiwari
Membership No. 501419
Partner**

**Date: 07/06/2023
Place: New Delhi**

UDIN: 23501419BGWNBK2991

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ANNEXURE

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

Outlined below are the possible special tax benefits available to Sunshine Capital Limited ("the Company") and its Shareholders under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2022 (hereinafter referred to as "Income Tax Laws"), i.e. applicable for Financial Year 2023-24 relevant to the Assessment year 2024-25 presently in force in India.

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders

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

Notes:

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

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SECTION VI – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

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

GLOBAL ECONOMIC OVERVIEW

The world economy is in the doldrums, with weak economic growth, stubborn inflation and rising interest rates in the major developed economies clouding the near-term economic outlook. The slowdown in global growth in 2023 is likely to be less severe than previously expected, mainly due to resilient household spending in the developed economies.

The global growth is projected to fall from 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024 on an annual average basis. Compared with projections in the April 2023 WEO, growth has been upgraded by 0.2 percentage point for 2023, with no change for 2024. The forecast for 2023–24 remains well below the historical (2000–19) annual average of 3.8 percent. It is also below the historical average across broad income groups, in overall GDP as well as per capita GDP terms. Advanced economies continue to drive the decline in growth from 2022 to 2023, with weaker manufacturing, as well as idiosyncratic factors, offsetting stronger services activity. In emerging market and developing economies, the growth outlook is broadly stable for 2023 and 2024, although with notable shifts across regions. On a year-over-year basis, global growth bottomed out in the fourth quarter of 2022. However, in some major economies, it is not expected to bottom out before the second half of 2023.

World trade growth is expected to decline from 5.2 percent in 2022 to 2.0 percent in 2023, before rising to 3.7 percent in 2024, well below the 2000–19 average of 4.9 percent. The decline in 2023 reflects not only the path of global demand, but also shifts in its composition toward domestic services, lagged effects of US dollar appreciation—which slows trade owing to the widespread invoicing of products in US dollars—and rising trade barriers.

For advanced economies, the growth slowdown projected for 2023 remains significant: from 2.7 percent in 2022 to 1.5 percent in 2023, with a 0.2 percentage point upward revision from the April 2023 WEO. About 93 percent of advanced economies are projected to have lower growth in 2023, and growth in 2024 among this group of economies is projected to remain at 1.4 percent.

(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	2024
World Output	3.5	3.0	3.0
Advanced Economies	2.7	1.5	1.4
United States	2.1	1.8	1.0
Euro Area	3.5	0.9	1.5
Germany	1.8	-0.3	1.3
France	2.5	0.8	1.3
Italy	3.7	1.1	0.9
Spain	5.5	2.5	2.0
Japan	1.1	1.4	1.0
United Kingdom	4.1	0.4	1.0
Canada	3.4	1.7	1.4
Other Advanced Economies	2.7	2.0	2.3
Emerging Market and Developing Economies	4.0	4.0	4.1
Emerging and Developing Asia	4.5	5.3	5.0
China	3.0	5.2	4.5
India	7.2	6.1	6.3
Emerging and Developing Europe	0.8	1.8	2.2
Russia	-2.1	1.5	1.3
Latin America and the Caribbean	3.9	1.9	2.2
Brazil	2.9	2.1	1.2
Mexico	3.0	2.6	1.5
Middle East and Central Asia	5.4	2.5	3.2
Saudi Arabia	8.7	1.9	2.8
Sub-Saharan Africa	3.9	3.5	4.1
Nigeria	3.3	3.2	3.0
South Africa	1.9	0.3	1.7
Memorandum			
Emerging Market and Middle-Income Economies	3.9	3.9	3.9
Low-Income Developing Countries	5.0	4.5	5.2

Source: IMF, World Economic Outlook, July 2023

Emerging Economies Outlook

Growth in emerging and developing Asia is on track to rise to 5.3 percent in 2023, then to moderate to 5.0 percent in 2024, reflecting a modest (0.1 percentage point) downward revision for 2024. The forecast for China is unchanged at 5.2 percent for 2023 and 4.5 percent for 2024, but with a change in composition: Consumption growth has evolved broadly in line with April 2023 WEO projections, but investment has underperformed due to the ongoing real estate downturn in that country. Stronger-than-expected net exports have offset some of the investment weakness, although their contribution is declining as the global economy slows. Growth in India is projected at 6.1 percent in 2023, a 0.2 percentage point upward revision compared with the April projection, reflecting momentum from stronger-than-expected growth in the fourth quarter of 2022 as a result of stronger domestic investment.

Source: International Monetary Fund, World Economic Outlook Update, July 2023

INDIAN ECONOMIC OUTLOOK

India grew by 6.1% in the first quarter of fiscal year 2024, which is approximately ~100 bps higher than what the market had anticipated. While the overall growth was broad based, many sectors such as construction and agriculture experienced more-than-expected growth. In fact, strong growth in manufacturing proved to be a reassuring development as modest growth in the sector in previous quarters had been a concern for policymakers.

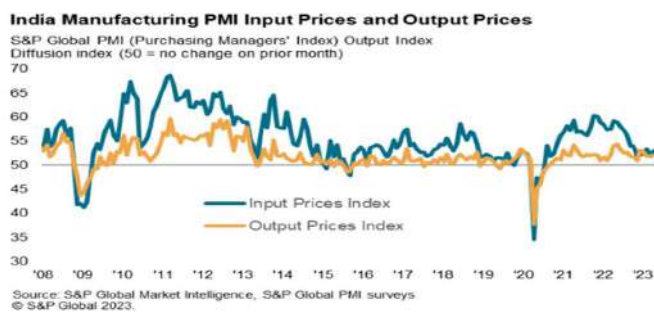
On the expenditure side, exports performed well despite global headwinds, while imports recorded their slowest growth since December 2020, primarily because of easing crude oil prices bringing down India's import bills. Private consumption, the largest component of India's final demand, with a modest growth of 7.5% in FY2022–23, emerged as the weakest link in overall growth. The share of private consumption in GDP fell in the last quarter and was the lowest in the past seven quarters, dragged down by weak rural demand. However, things might be changing on that front as well.

Urban demand conditions have remained resilient, as evidenced by the sales of mid- to high-end segments of automobiles, the number of UPI transactions, and domestic air passenger traffic data. Rural demand, which was lagging, has also been rising lately, as seen in the sales of tractors, IIP nondurable goods, and Mahatma Gandhi National Rural Employment Guarantee Act data.

Overall, the first-quarter data of FY2024 instils confidence in the improving health of the economy. Inflation in the first quarter was 4.5%, the lowest since the quarter of September 2019. Goods and Services Tax collections remain strong, suggesting that revenue buoyancy will aid in improving the budgeted fiscal deficit ratio to GDP. At the same time, India's external account has been improving, thanks to the falling import bills as oil prices ease.

Source: <https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html>

Although manufacturers signalled higher operating costs in April — linked to fuel, metals, transportation and some other raw materials — the overall rate of inflation remained below its long run average despite quickening since March. Manufacturing output prices have also remained constrained, with 6% of companies having hiked their output prices since March, while 92% left them unchanged. However, the combination of rising input costs and resilient demand resulted in services companies lifting their selling prices in April.



Source: <https://www.spglobal.com/marketintelligence/en/mi/research-analysis/indiaeconomy-continue-to-expand-as-inflation-moderates-may23.html>

INTRODUCTION TO INDIAN FINANCIAL SERVICE INDUSTRY

Historical Context

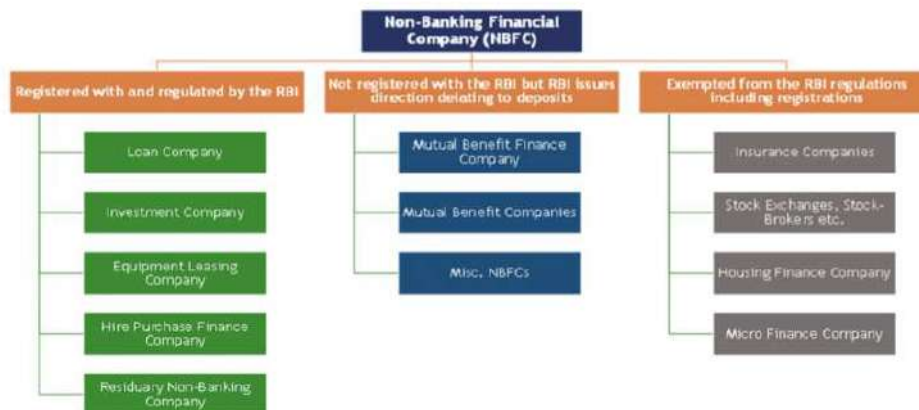
Historically, NBFCs have been a vital cornerstone of the Indian financial ecosystem as important financial intermediaries channelizing savings and investments, especially for small-scale and retail sectors as well as underserved areas and unbanked sectors of the Indian economy.

Evolution

Over the years, NBFCs have evolved given the extensive changes in the regulatory framework for NBFCs in India which have moved from simplified regulations to stringent and extensive regulations as well as towards rationalisation per the currently revised NBFC regulatory framework. Given these high levels of regulation, NBFCs have also emerged as preferred options to meet credit needs since the low cost of operations has provided these NBFCs an edge over banks.

As per the data of RBI, the total number of NBFCs registered with the RBI stood at 9,443 as of March 31, 2023. Of the total, non-deposit-taking NBFCs (NBFC - ND) number 8,966, systemically important non-deposit-taking NBFCs number 413, and deposit-taking NBFCs are 39.

NBFC Classifications and Industry Structure



Source: RBI; Pradhan Mantri Jan Dhan Yojana; Indian Banks' Association - Indian Banking Sector 2020

(Source: <https://www.investindia.gov.in/team-india-blogs/importance-nbfc-india>)

Categorisation of NBFC by their activity

NBFCs are categorized a) in terms of the type of asset/liabilities into Deposit and Non-Deposit accepting NBFCs, b) non-deposit taking NBFCs (NBFC-ND) by their size into systemically important and other non-deposit holding companies, i.e., NBFC-ND-SI with asset size of Rs. 500 crore or more and, and c) by the kind of activity they conduct represented in the below table.

Sr. No.	Type of NBFCs	Activity
1.	NBFC-Investment and Credit company (NBFC-ICC) Lending and Investment	NBFC-Investment and Credit company (NBFC-ICC) Lending and Investment
2.	NBFC-Infrastructure Finance Company (NBFC-IFC) Financing of Infrastructure sector	NBFC-Infrastructure Finance Company (NBFC-IFC) Financing of Infrastructure sector
3.	Core Investment Company (ICC) Investment in equity shares, preference shares, debt, or loans of group companies.	Core Investment Company (ICC) Investment in equity shares, preference shares, debt, or loans of group companies.
4.	NBFC-Infrastructure Debt Fund (NBFCIDF) Facilitation of flow of long-term debt only into post commencement operations in infrastructure projects which have completed at least one year of satisfactory	NBFC-Infrastructure Debt Fund (NBFCIDF) Facilitation of flow of long-term debt only into post commencement operations in infrastructure projects which have completed at least one year of satisfactory
5.	NBFC-Micro Finance Institution (NBFCMFI) Providing Collateral free small ticket loans to low income households.	NBFC-Micro Finance Institution (NBFCMFI) Providing Collateral free small ticket loans to low income households.
6.	NBFC-Factors Acquisitions of receivables of an assignor or extending loans	NBFC-Factors Acquisitions of receivables of an assignor or extending loans against the security interest of the receivables at a discount.
7.	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC) Facilitation of promoters/promoter groups in setting up new banks	NBFC-Non-Operative Financial Holding Company (NBFC-NOFHC) Facilitation of promoters/promoter groups in setting up new banks
8.	NBFC-Mortgage Guarantee Company (NBFC-MGC) Undertaking of mortgage guarantee business.	NBFC-Mortgage Guarantee Company (NBFC-MGC) Undertaking of mortgage guarantee business.
9.	NBFC-Account Aggregator (NBFC-AA) Collecting and providing a customer's financial information in a consolidated, organized, and retrievable manner to the customer or others as specified by the customer.	NBFC-Account Aggregator (NBFC-AA) Collecting and providing a customer's financial information in a consolidated, organized, and retrievable manner to the customer or others as specified by the customer.
10.	NBFC-Peer to Peer Lending Platform (NBFC-P2P) Providing an online platform to bring	NBFC-Peer to Peer Lending Platform (NBFC-P2P) Providing an online platform to bring

11.	Housing Finance Company (HFC) Financing for purchase/ construction/ reconstruction/ renovation/repairs of house	Housing Finance Company (HFC) Financing for purchase/construction/reconstruction/renovation/repairs of House
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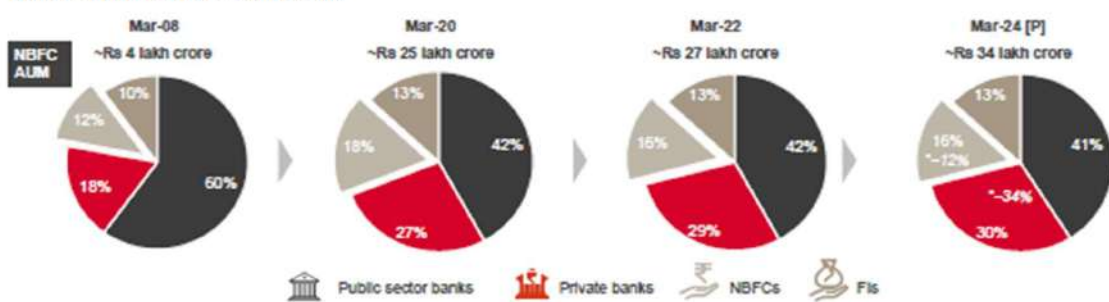
NBFC Growth

After several challenging years, fiscal 2023 has brought growth back into focus for NBFCs (including HFCs, but excluding government owned NBFCs). To be sure, NBFCs have demonstrated an innovative and resilient streak over the years, adapting efficiently, even during the Covid-19 pandemic, to an evolving credit landscape. Today, they are stronger, more resilient and well placed to tap growth opportunities.

NBFCs had steadily increased their market share till recent years, with AUM accounting for as much as 18% of the overall credit pie in March 2019, up from 12% in March 2008. Several challenges over the past three fiscals lowered their share to 16% in fiscal 2022, with banks making bigger growth strides. However, NBFC growth is expected to pick up from here on, which should help sustain their ~16% AUM share.

Increase in NBFCs' AUM from just Rs 3.6 lakh crore in March 2008 to almost Rs 27 lakh crore in March 2022, and expected to increase further, indicates the importance of the sector to overall credit delivery in the economy.

Share of NBFCs in overall credit



Note: Total AUM in the financial sector; bank credit is of scheduled commercial banks and excludes exposure to financial sector. NBFCs include HFCs, but exclude government-owned NBFCs. Private banks include foreign banks and SFBs. FIs include all-India financial institutions + government-owned NBFCs. Source: RBI, company reports, CRISIL Ratings estimates

Note: Numbers with * represent share of the segment factoring in the proposed merger of a large HFC with a private bank

NBFCs are stronger and more resilient today, and better positioned in almost all operationally critical parameters. On the capital front, NBFCs have raised almost Rs 70,000 crore of equity in the past 3.5 years, which has materially improved gearing. The subdued business landscape in the past three fiscals also contributed to the better gearing.

Provisioning levels also increased in the past couple of years, as NBFCs created management overlays to provide for uncertainty pertaining to the pandemic. Overall, the sector has stronger balance sheets.

Source: Knowledge Paper- NBFC Gearing Up for Growth prepared by ASSOCHAM and Crisil Ratings

Micro Small and Medium Enterprises (MSMEs)

In the Budget 2023-24, the Government proposed spending a massive ₹ 22,138 crores on allocations directed at the Ministry of Micro, Small, and Medium Enterprises (MSMEs), which would

play a crucial role in the nation's employment creation drive. Compared to the credit growth of larger firms, MSME credit growth has typically been stronger annually. NBFCs have been a key lender to MSMEs.

Government initiatives in this budget, viz., expanding the scope of Digi-Locker services, making the Permanent Account Number (PAN) a common identifier for authenticating KYC verifications, establishing a unified Skill India digital platform that will focus on demand-based formal skilling, reduction of over 39,000 compliances that MSMEs need to abide by, decriminalization of 3,400 legal provisions, restructuring of the Credit Guarantee Scheme, completing integration of Udyam, e-Shram, and National Career Service and ASEEM (Aatmanirbhar Skilled Employees Employer Mapping) portals and the non-tax benefits to MSMEs for up to 3 years, etc., will further harmonize the relationship between MSMEs and NBFCs.

MSMEs, especially those in the service industry, rely heavily on NBFCs to fill the gap in their access to finances. The service sector shows tremendous growth vis-à-vis Industry. The Government's Emergency Credit Line Guarantee Scheme (ECLGS) enabled enhanced access to credit. The Reserve Bank's co-lending approach, established in November 2020, also facilitated a greater influx of loans into the MSME industry. Guarantee cover was increased from 50,000 crores to 5 lakh crores in the Union Budget 2022-23, thereby extending the ECLGS till March 2023.

Source: <https://www.infomerics.com/admin/uploads/nbfc-outlook-mar23.pdf>

Credit facility to NBFC by Banks

Compared to February 2018 numbers, absolute bank lending to NBFCs has more than tripled, while MF exposure has broadly reduced by over a third over the last five years. If April 2023 data is compared with February 2020 numbers, bank borrowings have increased by 60.2%, MF Corporate Debt exposure has reduced by 29.5%, and MF CP exposure has increased by 43.6%.

MFs debt exposure to NBFCs has increased to 12% of Banks' exposure to NBFCs in April 2023 from 10.97% in March 2023 and 10.8% in February 2023. This figure was 11.5% in January 2023 and 16.6% in March 2022.

NBFC Debt Sources (Rs. Lakh Crores)

	Feb-2018	Feb-2020	Apr-2023	Ab. Change (%)	
				vs. Feb-2018	vs. Feb-2020
Bank (#)	3.90	8.40	13.45	244.8%	60.2%
MFs	2.31	1.64	1.60	-30.6%	-2.3%
Corporate Debt	1.18	1.03	0.73	-38.6%	-29.5%
Commercial Paper	1.13	0.61	0.88	-22.1%	43.6%
Total (Bank +MF)	6.21	10.04	15.06	142.4%	50.0%

(#) Excludes Treasury investments of Banks into debt instruments of NBFCs.

Source: RBI, SEBI

Key Challenges

While NBFCs are relatively well placed today as compared with the past few years, competition from banks and the rising interest rate scenario pose challenges. Competition from banks has intensified, especially in the traditional segments.

The banking system has also gone through its fair share of cycles. Grappling with asset quality concerns, inadequate provisioning and weak capital buffers in 2018, the banking sector now has manageable non-performing assets (NPAs) with a healthy provision coverage ratio (PCR) and comfortable capital buffers; and is well placed to tap growth opportunities. In fact, banks have outpaced NBFCs in growth since March 2020. While the gap has narrowed this fiscal, NBFCs continue to lag.

At the same time, rising interest rates will limit the competitiveness of NBFCs in some segments. The repo rate has already been increased by 225 basis points (bps) this fiscal with another ~25 bps hike anticipated, taking the total tally for the fiscal to ~250 bps. This will impact the borrowing cost for NBFCs.

NBFCs have faced funding-access challenges in the past few years, especially in debt capital markets. Banks, though, have provided significant support to them, with bank credit to NBFCs touching an all-time high of Rs 11.7 lakh crore as of September 30, 2022. Consequently, the share of bank funding in the overall resource profile of NBFCs increased to 36% in September 2022 from 27% four years ago, nearly mirroring the drop in share of non-convertible debentures (NCDs).

For deposit-taking NBFCs, fixed deposits (FDs) were a big focus area, especially as bank FD rates were low. While debt capital market issuances have been subdued over the last year or so given the rising interest rate environment, there has been some uptick in the last quarter or so.

The rising interest rate scenario is increasing the cost of borrowings of NBFCs. However, as NBFCs have the ability to pass on the higher cost for incremental disbursements in some of their asset segments, spreads are estimated to compress 40-60 bps.

Source: Knowledge Paper- NBFC Gearing Up for Growth prepared by ASSOCHAM and Crisil Ratings

Financial Access and Supportive Government Schemes

NBFCs have gradually become important mechanisms to fuel growth and entrepreneurship due to the launch of government-backed schemes including Pradhan Mantri Jan-Dhan Yojana which has contributed to a significant increase in the number of bank accounts.

These NBFCs have also been key in being able to mitigate and manage the spread of risks during times of financial duress and have increasingly become recognized as complementary services to banks.

NBFCs have become integral for all business services, including loans and credit facilities, retirement planning, money markets, underwriting and merger activities. As such these companies play an important role in providing credit to the unorganized sector and for small borrowers at local level. Additionally, hire purchase finance is also the largest activity of NBFCs and the rapid growth of NBFCs has gradually blurred the lines between banks and NBFCs although commercial banks have retained importance. These NBFCs facilitate long term investment and financing, which is challenging for banking sector, and the growth of NBFCs widens range of products available for individuals/institutions with resources to invest.

Opportunities for NBFCs

Ongoing stress in public sector banks (PSUs) because of increasing bad debt, lending in rural areas deterioration has provided NBFCs with the opportunity to increase presence. The success of these NBFCs vs. PSUs can be attributed to product lines, lower cost, wider and effective reach, strong risk management capabilities to check and control bad debts, and a better understanding of customer segments versus banks. NBFCs have witnessed success in the passenger and

commercial vehicle finance segments as well as growing AUM in personal loan and housing finance sector. Additionally, improving macro-economic conditions, higher credit penetrations, consumption themes and disruptive digital trends have influenced NBFC credit growth. Stress in public sector units (PSUs), underlying credit demand, digital disruption for MSMEs and SMEs as well as increased consumption and distribution access and sectors where traditional banks do not lend are major reasons for the switch from traditional banks to NBFCs.

Market Size- Investment Companies

As of March 2023, AUM managed by the mutual funds industry stood at US\$ 482.40 billion (Rs. 39.42 trillion). Inflow in India's mutual fund schemes via systematic investment plan (SIP) stood at US\$ 18.09 billion (Rs. 1.5 lakh crore). 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 US\$ 22.5 billion (Rs. 1.87 lakh crore).

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

According to the statistics by the Futures Industry Association (FIA), a derivatives trade association, the National Stock Exchange of India Ltd. (NSE) emerged as the world's largest derivatives exchange in 2020 in terms number of contracts traded. NSE was ranked 4th worldwide in cash equities by number of trades as per the statistics maintained by the World Federation of Exchanges (WFE) for CY2020.

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 companies – micro-finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend an approach towards the development of a sustainable finance hub and provide a road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or Internet banking access.

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

OUR BUSINESS

Our Company was originally incorporated as "Sunshine Capital Private Limited" as a private limited company under the provisions of Companies Act, 1956 vide Certificate of Incorporation dated July 11, 1994, issued by Registrar of Companies, N.C.T of Delhi & Haryana. Subsequently our company was converted into a public limited company vide special resolution passed by our Shareholders in the EoGM held on February 02, 1995, and consequently the name of our Company was changed from "Sunshine Capital Private Limited" to "Sunshine Capital Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated March 09, 1995 by the Registrar of Companies, N.C.T of Delhi & Haryana. The Corporate Identification Number of our Company is **L65993DL1994PLC060154**.

We are a Non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFI (Non-Bank Financial Institution) activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. B-14.01266 dated September 25, 1998. Our Company is engaged in the business of providing short term and long-term funds working capital loans, loan against property, personal loans to customers depending upon their needs and requirements and Investment in securities of potential business.

The main object of the Company is to carry on the business of providing, short term and long term finance, loans to individuals, firms, companies, for the purpose of personal use or commercial use on such terms and conditions which may be beneficial to the company upon such terms and subject to conditions as may seem expedient and particularly to carry on the business as financiers and to acquire by purchase buy, subscribe, invest in any share, bonds, stocks in India or elsewhere.

Our Company is promoted by:

1. Mrs. Priti Jain

Mrs. Priti Jain is the Promoter of the Company. She has rich experience in finance and human resource management. She plays an important role in regard to the financing and investing decision making. Her efforts and knowledge will help the company to reach endless limits. She has vast Knowledge and Experience in the field of Accounts, Finance, Taxation, Financial Management etc.

2. Mrs. Babita Jain

Mrs. Babita Jain is the promoter of the Company. She is very dynamic and religious person having interest in social and cultural activities. She is providing practical approach to the business by her experience. Her efforts and knowledge will help the company to reach endless limits.

3. Mr. Surendra Kumar Jain

Mr. Surendra Kumar Jain is the Director of our Company. He joined the management team in the year March 09, 1995. Mr. Surendra Kumar Jain has a rich background and experience in Finance, Banking Merger & Acquisitions, Strategic Planning, and Restructuring Operations. He is Responsible for Overall working of the Company and is instrumental in marketing strategic Decision of the Company. He is in finance sector since 1992 and had also served in other organization as Director. He is also responsible for Corporate Administration, Corporate Image and public relationship, Event Management, personal/Human Resource Development, Communication, Public Relationship and Publicity.

4. Mr. Virendra Jain

Mr. Virendra Jain being the promoter of the Company brings the new and conceptual ideas in the organisation. He is very dynamic and religious person and having interest in social and cultural activities and having interest in social and cultured activities.

BUSINESS MODEL

The company is engaged in trading in shares, financial services and investment activities where the outlook of the business seems to be encouraging over and above we have been diversified into different businesses ranging from third party product distributions (lowest balance sheet risk) to originating unsecured personal loans, corporate loans (highest balance sheet risk). We believe that we are well placed to leverage on the growth opportunities in the economy.

OUR SERVICES

The various services that we offer are as follows:

1. Working capital loans

Our Company also provides an easy solution of working capital financing. Most small business would qualify for a business cash advance that can sufficiently meet their requirements for working capital financing.

2. Margin funding and loan against approved securities

Our Company also offers shares to individuals and corporate entities. Our Company meets funding requirements of businesses through a mix of short, medium and long-term funding.

3. Share Trading

Our Company also offers shares to individuals and corporate entities. Our Company meets funding requirements of businesses through a mix of short, medium and long-term funding.

Brief Process of disbursement of Loan

The Loan distribution process of the company is robust process which starts with the potential meeting of the borrower with the finance team or management in respect of loan as per their requirement.

After the Initial meeting with the management the finance team begins with the due diligence of the potential borrower based on the checklist as per the guidelines laid down by the management.

After the due diligence the finance team submits a status report on the borrower to the management based on which the management decides whether to release the applied funds or reject the application and stating reasons for rejection in writing.

Post approval the funds are disbursed and a loan agreement is entered with the borrower laying down the terms and conditions of the loan agreement including tenure, rate of interest and repayment terms and other necessary terms.

Brief Process of Investment

Our Investment team find the right investment opportunities by doing dedicated research and due diligence of the Company. Thereafter the investment team discuss the business profile, future

outlook and quantum of investment with management or senior authorised person. After making investment, we periodically review the financial health of the Company.

COMPETITIVE STRENGTHS

1. Diversified and balanced mix of experience of Promoters and experienced Personnel;

We have an experienced, highly motivated and dedicated senior management team, with significant experience in the banking, financial services, consultancy and infrastructure sectors. We have a strong management team backed by the promoters who have several years of experience in capital markets and financial services industry. We believe that their strong technical experience and industry networks will help us in achieving our key business strategies.

2. Focus on discipline business including Financing & investment process;

We provide the loan or advance to the customers after due diligence process conducted by the finance team. Our team follow certain procedures for the evaluation of the customers based on a set of qualitative and quantitative factors for determining the creditworthiness of our potential borrowers thereafter submits a status report on the borrower to the management, based on which the management decides whether to release the applied funds or reject the application. Our Company's also looks at options to invest on a long-term basis and in companies which are engaged in diverse businesses and industry sectors. The Company focuses on a disciplined investment process to invest in companies that can consistently grow shareholder value over sustained periods of time.

3. Institutional philosophy of prudent risk management controls through asset-backed lending and streamlined procedures;

We maintain healthy and high quality loan asset portfolio in synchronization with our institutional philosophy of lending against security, which we call asset backed lending. We have instituted prudent and comprehensive risk management controls, policies, and procedures that are critical for the long-term sustainable development of our organization.

We believe that we have internal controls and risk management systems to assess and monitor risks. Our management team which monitors and manages risks by monitoring trends that may have an effect on the economic environment and actively assesses on a routine basis the market value of the Company's portfolio. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company believes it has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

OUR STRATEGIES

Our key strategic priorities are as follows:

1. Leverage on our experience and relationships

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

2. Focus on customer services by efficient use of technology

We believe that customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that

will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

3. Maintain and expand long term relationship with client

The company wants to expand its loan portfolio to target high net worth individuals with impeccable credit track record to whom the company may advance funds both secured/unsecured based on the risk profile and as envisaged in the loan policy of the company. The management sees opportunities in the niche segment of IPO funding with further deepening and maturity of the Capital Markets in India.

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

4. Attract and retain experienced professionals

Induction of the new senior management team having significant experience and a diversified track record in the banking, financial services, consultancy and infrastructure sectors; Our Company believes in recruiting qualified professionals with experience in financial services sector, credit evaluation, risk management, technology, and marketing.

Insurance

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

Plant and Machinery

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

Collaborations

We have not entered into any technical or other collaboration.

Utilities & Infrastructure Facilities

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

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OUR MANAGEMENT

BOARD OF DIRECTORS

Our Articles of Association provides that our Board shall consist of minimum 3 (Three) Directors and not more than 15 (Fifteen) Directors, unless otherwise determined by our Company in a general meeting.

As on date of this Draft Letter of Offer, our Company currently has 6 (Six) directors on its Board, out of which 1 (One) Managing Director and 3 (Three) directors are acting in the capacity of being an independent director. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

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

Name, Designation, Address, Occupation, Age, Nationality, Date of Birth, Term and Director Identification Number	Date of Appointment/ Reappointment	Other Directorships
Mr. Surendra Kumar Jain Designation: Managing Director Address: 555, Double Story Market, New Rajinder Nagar, New Delhi, Delhi-110060, India Occupation: Business Age: 56 years Nationality: Indian Date of Birth: July 03, 1967 Term: Re-designated as Managing Director w.e.f. November 12, 2018 DIN: 00530035	Appointed as Director w.e.f March 09, 1995 Re-designated as Managing Director w.e.f. November 12, 2018	<ul style="list-style-type: none"> • Shri Niwas Leasing and Finance Limited • Sital Leasing and Finance Ltd • RKG Finvest Limited
Mr. Bhupendra Kaushik Designation: Independent Director Address: Third Floor, 8/2 West Patel Nagar, Central Delhi-110008, India Occupation: Business Age: 32 years Nationality: Indian	Appointed as Additional Director w.e.f. November 05, 2022. Re-designated as Director w.e.f February 28, 2023.	<ul style="list-style-type: none"> • BKB & Associates LLP • Abhijit Trading Co Ltd • Sital Leasing and Finance Ltd • Alstone Textiles (India) Limited • ISF Limited • Qualitek Starch Private Limited • Relax Pharmaceuticals Private Limited

Name, Designation, Address, Occupation, Age, Nationality, Date of Birth, Term and Director Identification Number	Date of Appointment/ Reappointment	Other Directorships
<p>Date of Birth: September 04, 1991</p> <p>Term: Appointed as Director w.e.f February 28, 2023</p> <p>DIN: 07016552</p>		<ul style="list-style-type: none"> • India Solomon Holdings Limited • VMK Professionals Private Limited • Copmed Pharmaceuticals Private Limited • Auxilia Foundation
<p>Mrs. Promila Sharma</p> <p>Designation: Independent Director</p> <p>Address: H.No 58, Ward no. 9, Mohalla, Raaiyan, P.O. Sujanpur Pathankot-145023, Punjab, India</p> <p>Occupation: Business</p> <p>Age: 61 years</p> <p>Nationality: Indian</p> <p>Date of Birth: June 07, 1961</p> <p>Term: Appointed as Director w.e.f February 28, 2023</p> <p>DIN: 09735554</p>	<p>Appointed as Additional Director w.e.f. November 05, 2022.</p> <p>Re-designated as Director w.e.f February 28, 2023.</p>	<ul style="list-style-type: none"> • Pacheli Industrial Finance Limited • Abhijit Trading Co Limited • Shri Niwas Leasing and Finance Limited • Legend Infoways Private Limited
<p>Mr. Subodh Kumar</p> <p>Designation: Independent Director</p> <p>Address: Flat no. 1007, Floor no. 10, Urvashi Block, V3S Indralok, Nyay Khand-1, Indirapuram, Ghaziabad-201014, Uttar Pradesh, India</p> <p>Occupation: Business</p> <p>Age: 39 years</p> <p>Nationality: Indian</p> <p>Date of Birth: July 05, 1984</p> <p>Term: Appointed as Director w.e.f September 22, 2023</p> <p>DIN: 09734308</p>	<p>Appointed as additional director w.e.f August 10, 2023.</p> <p>Re-designated as Independent Director w.e.f. September 22, 2023.</p>	<ul style="list-style-type: none"> • Legend Infoways Limited

Name, Designation, Address, Occupation, Age, Nationality, Date of Birth, Term and Director Identification Number	Date of Appointment/ Reappointment	Other Directorships
Mrs. Priti Jain Designation: Director Address: 555, Double Story Market, New Rajinder Nagar, New Delhi, Delhi-110060, India Occupation: Business Age: 52 Years Nationality: Indian Date of Birth: January 21, 1971 Term: Appointment as Director w.e.f September 22, 2023. DIN: 00537234	Appointed as additional director w.e.f May 29, 2023. Re-designated as Non-Executive Non-Independent Director w.e.f. September 22, 2023.	<ul style="list-style-type: none"> • Sital Leasing and Finance Ltd • PB Properties Private Limit • Shourya Developers Private Limited • Great Bear Aviation Private Limited • Echt Finance Limited • J P Buildcon Private Limited
Ms. Rekha Bhandari Designation: Director Address: T-806/ C-7, Sukhdev Nagar, Kotla Mubarak Pur, Lodhi Road, Delhi -110003 Occupation: Business Age: 35 Years Nationality: Indian Date of Birth: April 1, 1988 Term: Appointment as Director w.e.f September 22, 2023. DIN: 07546484	Appointed as additional director w.e.f May 29, 2023. Re-designated as Non-Executive Non-Independent Director w.e.f. September 22, 2023.	<ul style="list-style-type: none"> • Premier Mercantiles Limited • Sital Leasing and Finance Limited • Avail Financial Services Limited • Aulina Designs Private Limited

Past Directorships in suspended companies

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

Past Directorships in delisted companies

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

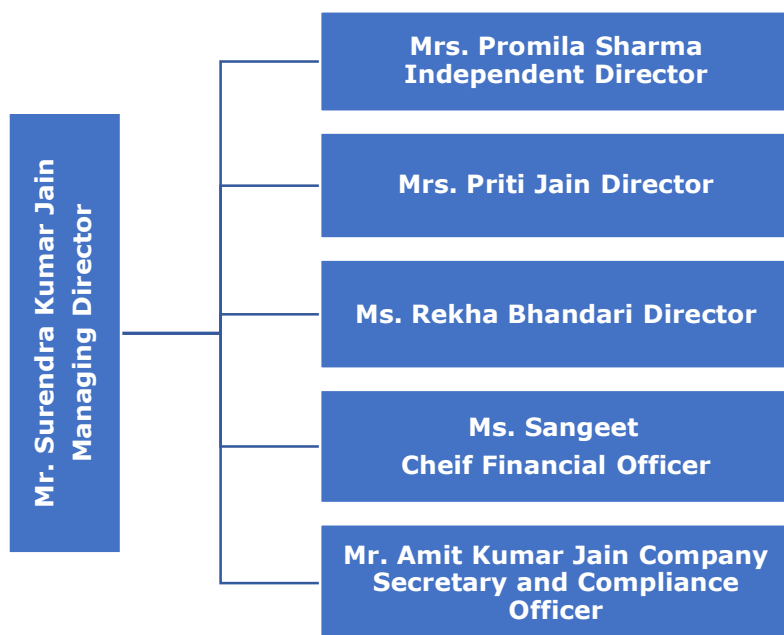
SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Name of key management personnel and senior management personnel	Designation	Associated with Company since
1.	Surendra Kumar Jain	Managing Director	November 12, 2018
2.	Sangeeta	Chief Financial Officer	November 12, 2018
3.	Amit Kumar Jain	Company Secretary	October 01, 2021

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



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SECTION – VII

FINANCIAL INFORMATION

PARTICULAR	PAGE NO.
LIMITED REVIEW FINANCIAL RESULTS FOR THE THREE (3) MONTHS ENDED JUNE 30, 2023	77 to 79
AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED MARCH 31, 2023	80 to 114

Material changes and commitments, if any, affecting our financial position

There are no material changes and commitments, which are likely to affect our financial position since March 31, 2023 till date of this Draft Letter of Offer. We have approved and filed the limited review financial results for the quarter ended June 30, 2023 with the Stock Exchange.

We have not given Restated Financials because we fall under Part-B of SEBI (ICDR), 2018.

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STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED ON 30th JUNE 2023 - NBFC COMPLIANT

Particulars		Three Months Ended			(` In Lacs)
		CURRENT QUARTER	PREVIOUS QUARTER	CORRESPONDING QUARTER	Year Ended
		01.04.2023 to 30.06.2023 (`) unaudited	01.01.2023 to 31.03.2023 (`) Audited	01.04.2022 to 30.06.2022 (`) unaudited	01.04.2022 to 31.03.2023 (`) Audited
	Revenue from opertaions				
	Interest Income	168.674	174.540	153.651	679.198
	Dividend Income	0.023	0.460	0.094	1.016
	Rental Income	-	-	-	-
	Fees & Commission Income	-	-	-	-
	Net gain on fair vale changes	-	-	-	-
	Net gain on derecognition of financial instruments under Category	-	-	-	-
	Sale of products	-	-	-	-
	Sale of shares	-	81.557	0.027	86.643
	Others (to be specified)	-	-	-	4.793
I	Total Income	168.697	256.557	153.772	771.650
	Expenses				
	Finance Costs	-	0.010	0.009	0.039
	Fees and commission expense	-	-	-	-
	Net loss on fair value changes	-	-	-	-
	Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-
	Impairment on financial instruments	-	-	-	-
	Cost of materials consumed	-	-	-	-
	Purchases of Stock-in-trade	-	4.724	9.940	14.664
	Changes in Inventories of finished goods, stock-in-trade and work-in- progress	-	406.487	(9.916)	401.673
	Employee Benefits Expenses	14.756	26.410	7.275	77.732
	Depreciation, amortization and impairment	-	13.165	-	13.165
	Others expenses (to be specified)	13.671	7.637	28.202	68.996
II	Total expenses	28.427	458.434	35.510	576.269
III	Profit/(loss) before exceptional items and tax (I- II)	140.270	(201.876)	118.263	195.381
IV	Exceptional Items	-	16.391	-	16.391
V	Profit/(loss) before tax(III-IV)	140.270	(185.485)	118.263	211.772
VI	Tax expense:				
	(1) Current tax	-	32.613	-	32.613
	(2) Deferred tax	-	0.177	-	0.177
	Total tax expenses	-	32.789	-	32.789
VII	Profit (Loss) for the period from continuing operations (V- VI)	140.270	(218.275)	118.263	178.982
VIII	Profit/(loss) from discontinued operations	-	-	-	-
IX	Tax expense of discontinued operations	-	-	-	-
X	Profit/(loss) from Discontinued operations (after tax) (VII- IX)	140.270	(218.275)	118.263	178.982
XI	Profit/(loss) for the period (VII+X)	140.270	(218.275)	118.263	178.982
XII	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will not be re- classified to profit or loss	-	-	-	-
	B (i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-

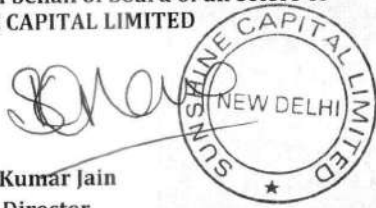


	Other Comprehensive Income (A+B)	-	-	-	-
XIII	Total Comprehensive Income for the period (XI+XII)(Comprising Profit (Loss) and Other Comprehensive Income for the period)	-	-	-	-
XIV	Paid up equity share capital (Face value Rs. 10/- per share)	1,302.090	1,302.090	1,302.090	1,302.090
XV	Earnings per equity share (for continuing operation):				
	(1) Basic	1.077	(1.676)	0.908	1.375
	(2) Diluted	1.077	(1.676)	0.908	1.375
XVI	Earnings per equity share (for discontinued operation):				
	(1) Basic	-	-	-	-
	(2) Diluted	-	-	-	-
	See accompanying note to the financial results				

Notes:

- (1) The above unaudited financial results for the quarter ended 30th June 2023 has been reviewed by the Audit Committee and then approved by the Board of Directors at their meeting held on 10.08.2023.
- (2) The Limited review report have carried out on the above results for quarter ended 30th June 2023. However, the management has excercised necessary due diligence to ensure that the financial results provided true and fair view of its affairs.
- (3) The company is engaged in one business activity only.
- (4) EPS has been calculated in accordance with AS 20 issued by ICAI
- (5) Figure for the previous period have been regrouped wherever considered necessary so as to confirm to the classification of the current period.

For and on behalf of board of directors of
SUNSHINE CAPITAL LIMITED



Surendra Kumar Jain
Managing Director
DIN: 00530035

Date: 10.08.2023
Place: New Delhi

Independent Limited Review Report on Interim Standalone Financial Results of Sunshine Capital Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

TO
THE BOARD OF DIRECTORS OF
SUNSHINE CAPITAL LIMITED

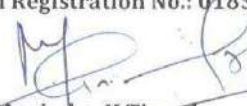
1. We have reviewed the accompanying Statement of Unaudited Financial Results of SUNSHINE CAPITAL LIMITED (the "Company") for the Quarter ended on June 30, 2023 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements [SRE] 2410 'Review of Interim Financial information Performed by the independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted and procedures performed as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Financial Results prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI Listing obligations and Disclosure Requirements] Regulations, as, as amended, including the manner in which it is to be disclosed or that it contains any material misstatement.

For Tiwari & Mishra
Chartered Accountants
Firm Registration No.: 018393N


CA. Manindra K Tiwari
Partner
M. No.: 501419
UDIN: 23501419BGWNCN6039



Place: New Delhi
Date : 10/08/2023



INDEPENDENT AUDITORS' REPORT

To
The Members of SUNSHINE CAPITAL LIMITED
Report on the audit of the financial statements

Opinion

We have audited the financial statements of Sunshine Capital Limited ("the Company"), which comprise the balance sheet as at March 31, 2023, and the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit Amount of Rs. 1,78,98,200/- and cash out flows for the year ended on that date.

Basis for opinion

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

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company



as at 31st March 2023, its profit/loss statement and its cash flows statement for the year ended on that date.

Key audit matters

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

(A) Adoption of new revenue recognition standard Ind AS 115 (This is added only for illustrative purposes and the auditor has to decide the most significant matter and modify this section accordingly)

Details of the Key Audit Matter

The Company adopted Ind AS 115 "Revenue from Contracts with Customers" with effect from April 1, 2019. The application of the new revenue accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations and point of recognition of revenue.

Ind AS 115 also requires extensive disclosures.

Auditors' Response to the Key Audit Matter

We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard (Ind AS 115).

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:

(a) Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.

(b) Selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.

(c) Selected a sample of continuing and new contracts and performed the following procedures:

- Read, analyzed and identified the distinct performance obligations in these contracts.
- Compared these performance obligations with that identified and recorded by the Company.



- Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.
- Performed analytical procedures for reasonableness of revenue recognition as per Ind AS 115.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Management's responsibility for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Rules, 2016, as amended from time to time, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of

the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's



ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from my examination of those books;
- (c) The balance sheet, the statement of profit and loss, and the cash flow statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;



(e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the board of directors, none of the directors is 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 the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to our, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act; and

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

a. The Company does not have any pending litigations which would impact its financial position;

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393M

CA. MANINDRA KUMAR TIWARI
(PARTNER)
M.NO: 501419



PLACE : NEW DELHI

DATE : 29.05.2023

UDIN: 23501419BGWNB19900

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on other legal and regulatory requirements' section of our report to the members of SUNSHINE CAPITAL LIMITED of even date)

1. In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
 - (c) The Company has a program of verification to cover all the items of fixed assets in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. However, no physical verification has been carried on by the management during the year. Accordingly, we were unable to comment on whether any material discrepancies were noticed on such verification and whether they are properly dealt with in the financial statements.
 - (d) According to the information and explanations given to us, the records examined by us, we report that the Company does not hold any freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
2. The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
3. According to information and explanation given to us, the company has not granted any loan, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register required under section 189 of the Companies Act, 2013. Accordingly, paragraph 3 (iii) of the order is not applicable.
4. In our opinion and according to information and explanation given to us, the company has not granted any loans or provided any guarantees or given any security or made any investments to which the provision of section 185 and 186 of the Companies Act, 2013. Accordingly, paragraph 3 (iv) of the order is not applicable.



5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and accordingly paragraph 3 (v) of the order is not applicable.
6. The Central Government of India has not prescribed the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the activities of the company and accordingly paragraph 3 (vi) of the order is not applicable.
7. In respect of statutory dues:
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been generally regularly deposited during the year by the company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable
 - (b) According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales- tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute.
8. In our opinion and according to the information and explanations given to us, the company has no outstanding dues to any financial institutions or banks or any government or any debenture holders during the year. Accordingly, paragraph 3 (viii) of the order is not applicable.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and has not taken any term loans during the year. Accordingly, paragraph 3 (ix) of the order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. The provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.



12. The Company is not a Nidhi Company and accordingly, paragraph 3 (xii) of the order is not applicable to the Company.
13. According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties are in compliance with section 177 and 188 of the Act. Where applicable, the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the order is not applicable.
15. According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.
16. According to the information and explanations given to us and as per the provision of section 45-IA of the Reserve Bank of India Act 1934, the company is registered as NBFC vide certificate No- B-14.01266 dated 25.09.1998.

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N

CA. MANINDRA KUMAR TIWARI
(PARTNER)
M.NO: 501419



PLACE: NEW DELHI
DATE : 29.05.2023
UDIN: 23501419BGWNBI9900

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of Sunshine Capital Limited of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub - section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sunshine Capital Limited ("the Company") as at March 31, 2023, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, 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 Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the standards on auditing prescribed under Section 143 (10) of the Companies Act, 2013, 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 over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating



effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement in the financial statements, whether due to fraud or error.

Our believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) 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 financial statements.

Limitations of internal financial controls over financial reporting

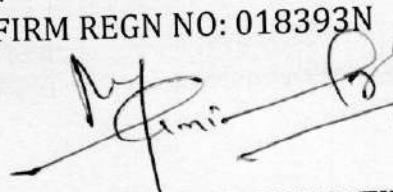
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management of override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal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



Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N


CA. MANINDRA KUMAR TIWARI
(PARTNER)
M.NO: 501419



PLACE: NEW DELHI
DATE : 29.05.2023
UDIN: 23501419BGWNB19900

SUNSHINE CAPITAL LIMITED

Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055

Corp. Office:- 16/121-122, Jain Bhawan, I Floor, Faiz Road, WEA, Karol Bagh, New Delhi-110005

Balance Sheet As at 31.03.2023

(₹ in Lac)

Particulars	Note No.	AS AT 31ST MARCH, 2023	AS AT 31ST MARCH, 2022	AS AT 1ST APRIL, 2021
1	2	3	4	5
(1) ASSETS				
Non-Financial assets		-	-	-
(a) Property, Plant and Equipment	3	774.795	734.530	1,131.733
(b) Capital work-in-progress		-	-	-
(c) Investment Property		-	-	-
(d) Goodwill		-	-	-
(e) Other Intangible assets		-	-	-
(f) Intangible assets under development		-	-	-
(g) Biological Assets other than bearer plants		-	-	-
(h) Inventory	4	1,191.498	1,593.171	2,477.158
(i) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables		-	-	-
(iii) Loans		-	-	-
(iv) Others (to be specified)		-	-	-
(j) Deferred tax assets (net)	5	1.357	1.534	1.722
(k) Other non-current assets		-	-	-
(2) Financial assets				
(a) Inventories		-	-	-
(b) Financial Assets				
(i) Investments	6	20.147	20.147	20.147
(ii) Trade receivables	7	5.521	0.075	-
(iii) Cash and cash equivalents	8	3.112	0.548	0.969
(iv) Bank balances other than (iii) above	9	1,207.614	683.093	83.034
(v) Loans	10	6,888.054	6,916.700	7,013.283
(vi) Others (to be specified)		-	-	-
(c) Current Tax Assets (Net)		-	-	-
(d) Other current assets	11	214.082	127.424	104.413
Total Assets		10,306.180	10,077.223	10,832.459

Cont.....



EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	12	1,302.090	1,302.090	1,302.090
(b) Other Equity	13	8,955.701	8,744.106	9,464.969
LIABILITIES				
Non-Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions	14	43.268	27.047	63.138
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings		-	-	-
(ii) Trade payables	15	-	0.002	-
(iii) Other financial liabilities (other than those specified in item (c))	16	5.121	3.980	2.261
(b) Other current liabilities		-	-	-
(c) Provisions		-	-	-
(d) Current Tax Liabilities (Net)		-	-	-
Total Equity and Liabilities		10,306.180	10,077.223	10,832.459

See accompanying notes to the financial statements

1

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA

(CHARTERED ACCOUNTANTS)

FIRM REGN NO: 018393N

FOR AND ON BEHALF OF

SUNSHINE CAPITAL LIMITED

CA. MANINDRA K TIWARI
(PARTNER)

M.NO: 501419

UDIN: 23501419BGWNB19900



SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)

DIN: 00530035

Sangeeta
SANGEETA
(C.F.O)

Bhupendra Kaushik

BHUPENDRA KAUSHIK
(DIRECTOR)

DIN : 07016552

Amit Kumar Jain
AMIT KUMAR JAIN
(COMPANY SECRETARY)

PLACE : NEW DELHI

DATE : 29.05.2023

SUNSHINE CAPITAL LIMITED

Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055

Corp. Office:- 16/121-122, Jain Bhawan, I Floor, Faiz Road, WEA, Karol Bagh, New Delhi-110005

Statement of Profit and Loss for the period ended 31.03.2023

(₹ in Lac)

S.N	Particulars	Note No.	YEAR ENDED 31ST MARCH 2023	YEAR ENDED 31ST MARCH 2022
I	Revenue From Operations	17	765.841	761.235
II	Other Income	18	5.809	0.369
III	Total Income (I+II)		771.650	761.603
IV	EXPENSES			
	Cost of materials consumed		-	-
	Purchases of Stock-in-Trade	19	14.664	21.281
	Changes in inventories of finished goods	20	401.673	883.987
	Stock-in -Trade and work-in-progress		-	-
	Employee benefits expense	21	77.732	77.466
	Finance costs	22	0.039	0.013
	Depreciation and amortization expense	3	13.165	1.653
	Other expenses	23	68.996	486.614
	Total expenses (IV)		576.270	1,471.015
V	Profit/(loss) before exceptional items and tax (I- IV)		195.381	(709.412)
VI	Exceptional Items		16.391	(1.269)
VII	Profit/(loss) before tax (V-VI)		211.772	(710.680)
VIII	Tax expense:			
	(1) Current tax		32.613	-
	(3) Deferred tax		0.177	0.188
	(4) Earlier year demand paid		-	(9.996)
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		178.982	(720.864)
X	Profit/(loss) from discontinued operations		-	-
XI	Tax expense of discontinued operations		-	-
XII	Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII	Profit/(loss) for the period (IX+XII)		178.982	(720.864)

Cont.....



XIV	Other Comprehensive Income			
	A (i) Items that will not be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	B (i) Items that will be reclassified to profit or loss		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV	Total Comprehensive Income for the period (XIII+XIV)(Comprising Profit (Loss) and Other Comprehensive Income for the period)		-	-
XVI	Earnings per equity share (for continuing operation):			
	(1) Basic		1.375	(5.536)
	(2) Diluted		1.375	(5.536)
XVII	Earnings per equity share (for discontinued operation):			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earnings per equity share(for discontinued & continuing operations)			
	(1) Basic		1.375	(5.536)
	(2) Diluted		1.375	(5.536)

See accompanying notes to the financial statements
IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393M

FOR . FOR AND ON BEHALF OF
SUNSHINE CAPITAL LIMITED

CA.MANINDRA K TIWARI
(PARTNER)
M.NO: 501419
UDIN: 23501419BGWNB19900

SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)
DIN: 00530035

BHUPENDRA KAUSHIK
(DIRECTOR)
DIN : 07016552

PLACE : NEW DELHI
DATE : 29.05.2023

Sangeeta
SANGEETA
(C.F.O)

AMIT KUMAR JAIN
(COMPANY SECRETARY)

SUNSHINE CAPITAL LIMITED

Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055

Corp. Office:- 16/121-122, Jain Bhawan, I Floor, Faiz Road, WEA, Karol Bagh, New Delhi-110005

Statement of Cash Flows for the year ended 31.03.2023

(IN LAC)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Cash flows from operating activities		
Profit before taxation	211.772	(710.680)
Adjustments for:		
Depreciation	(13.165)	(1.653)
Provision for income tax	-	-
Deferred tax	0.177	(0.188)
Exceptional item	(16.391)	1.269
Working capital changes:		
(Increase) / Decrease in trade and other receivables	(91.929)	692.661
Increase / (Decrease) in trade payables	92.345	(35.642)
Cash generated from operations		
Interest paid		
tax paid	(32.613)	(37.361)
Dividends paid		
Net cash from operating activities	150.195	(91.594)
Cash flows from investing activities		
Purchase of property, plant and equipment	(53.430)	(289.262)
Purchase/ Sale of shares	401.673	883.987
Net cash used in investing activities	348.243	594.725
Cash flows from financing activities		
Loans & Advances Given/Received	28.646	96.508
Repayment of Loan	-	-
Dividends paid	-	-
Net cash used in financing activities	28.646	96.508
Net increase in cash and cash equivalents	527.084	599.638
Cash and cash equivalents at beginning of period	683.642	84.003
Cash and cash equivalents at end of period	1,210.726	683.642

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N

CA.MANINDRA K TIWARI
(PARTNER)
M.NO: 501419
UDIN: 23501419BGWNB19900



FOR AND ON BEHALF OF
SUNSHINE CAPITAL LIMITED

SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)
DIN: 00530035

SANGEETA
(C.F.O)

BHUPENDRA KAUSHIK
(DIRECTOR)
DIN : 07016552

AMIT KUMAR JAIN
(COMPANY SECRETARY)

PLACE : NEW DELHI

STATEMENT OF CHANGES IN EQUITY

SUNSHINE CAPITAL LIMITED
 Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055
 Corp. Office:- 16/121-122, Jain Bhawan, I Floor, Faiz Road, WEA, Karol Bagh, New Delhi-110005
 Statement of Changes in Equity for the period ended 31.03.2023

A. Equity Share Capital

PARTICULAR	No. Of Shares	Amount of Shares
As at 01st April, 2021	13,020,900	1,302
Changes in equity share capital during the year	-	-
As at 31st March, 2022	13,020,900	1,302
Changes in equity share capital during the year	-	-
As at 31st March, 2023	13,020,900	1,302

B. Other Equity

PARTICULAR	Share application money pending allotment	Equity component of compound financial instruments	Reserves and Surplus				Debt instruments through Other Comprehensive Income	Equity Instruments through Other Comprehensive Income	Effective portion of Cash Flow Hedges	Revaluation Surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of Comprehensive Income (specify nature)	Money received against shares warrants	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (specify nature)	Retained Earnings								
As at 01st April 2021	-	-	-	9,000	112	353 (721)	-	-	-	-	-	-	-	9,455 (721)
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2022	-	-	-	9,000	112	(368) 179	-	-	-	-	-	-	-	8,744 179
Profit for the year	-	-	-	-	-	(33)	-	-	-	-	-	-	-	(33)
Total Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31st March 2023	-	-	-	9,000	145	(222)	-	-	-	-	-	-	-	8,923

(₹ in Lac)

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA
 (CHARTERED ACCOUNTANTS)
 FIRM REGN NO: 018393N

FOR AND ON BEHALF OF
 SUNSHINE CAPITAL LIMITED

CA MANINDRA K TIWARI
 (PARTNER)
 M.NO: 501419
 UDIN: 23501419BGNWBI9900

SURENDRA KUMAR JAIN
 (MANAGING DIRECTOR)
 DIN: 00530035

BHUPENDRA KAUSHIK
 (DIRECTOR)
 DIN : 07016552

PLACE : NEW DELHI
 DATE : 29.05.2023

SANGEETA
 (C.F.O.)

AMIT KUMAR JAIN
 (COMPANY SECRETARY)

SUNSHINE CAPITAL LIMITED

Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055

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NOTE 3: PROPERTY, PLANT AND EQUIPMENT

DEPRECIATION CHART AS PER COMPANIES ACT, 2013.

Fixed Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost/valuation as at beginning of the year 2022-23	Additions during the year 2022-23	Disposals/ Adjustments	Cost/valuation at the year end 2022-23	As at the beginning of the year 2022-23	Depreciation during the year 2022-23	Disposals/ Adjustments	Total up to the year end 2022-23	As at the Current year end 2023	As at the previous year end 2022
Tangible Assets										
Land & Building	726.312	-	-	726.312	-	-	-	-	726.312	726.312
Vehicle	11.314	53.430	-	64.744	9.756	12.603	-	22.358	42.386	1.559
Office Equipment	4.236	-	-	4.236	3.169	0.449	-	3.618	0.618	1.068
Plant & Machinery	2.352	-	-	2.352	2.236	0.060	-	2.296	0.056	0.116
Furniture & Fixture	17.268	-	-	17.268	11.793	0.053	-	11.846	5.423	5.476
Total Assets	761.483	53.430	-	814.913	26.952	13.165	-	40.118	774.795	734.530
Previous year	1,157.032	289.262	684.811	761.483	25.299	1.653	-	26.952	734.530	1,131.733

(₹ in Lac)

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N



CA.MANINDRA K TIWARI
(PARTNER)
M.NO: 501419
UDIN: 23501419BGWNB19900

FOR AND ON BEHALF OF
SUNSHINE CAPITAL LIMITED

SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)
DIN: 00530035

SANGEETA
C.F.O.

BHUPENDRA KAUSHIK
(DIRECTOR)
DIN : 07016552

AMIT KUMAR JAIN
(COMPANY SECRETARY)

PLACE : NEW DELHI
DATE : 29.05.2023

Notes to Financial Statements

NOTE 4: INVENTORIES

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Stock In Shares As Per "Annexure-A"	1,191.498	1,593.171	2,477.158
Total	1,191.498	1,593.171	2,477.158

NOTE 5: DEFERED TAX ASSETS (NET)

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Opening Balance	1.534	1.722	1.917
Created/ Reversed During the year	(0.177)	(0.188)	(0.196)
Total	1.357	1.534	1.722

NOTE 6: CURRENT INVESTMENT

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Investment In jewellery	20.147	20.147	20.147
Total	20.147	20.147	20.147

NOTE 7: TRADE RECEIVABLE

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Sundry Debtors			
More than six months	-	0.075	-
Less Than six Months	5.521	-	-
Total	5.521	0.075	-

NOTE 8: CASH & CASH EQUIVALENTS

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Cash in Hand	3.112	0.548	0.969
Total	3.112	0.548	0.969

Notes to Financial Statements

NOTE 9: BANK & BANK BALANCES

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
AU Small Finance Bank	0.258	0.258	45.818
AU Small Finance Bank	-	-	-
Bank of Baroda	0.012	2.961	-
FD in Bank of Baroda	1,016.000	657.000	-
ICICI Bank	0.874	0.787	0.472
Punjab National Bank	190.470	22.087	36.744
Total	1,207.614	683.093	83.034

OTHER NON CURRENT ASSETS

NOTE 10: LOAN

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Unsecured, Considered Good			
Loans at agreement values less instalment			
Standard Assets	6,732.991	6,761.638	6,444.516
Doubtful Assets (NPA)	-	-	-
Capital Advances			
Advance against Property	155.063	155.063	568.767
Total	6,888.054	6,916.700	7,013.283

NOTE 11: OTHER CURRENT ASSETS

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Balance with Revenue Authorities	214.082	127.424	104.413
Total	214.082	127.424	104.413

NOTE 12: SHARE CAPITAL

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Authorised Share Capital			
1,31,10,000 Equity Share of ₹ 10/- Each (Previous Year 1,31,10,000 Equity share of ₹ 10/-each)	1,311.000	1,311.000	1,311.000
	<u>1,311.000</u>	<u>1,311.000</u>	<u>1,311.000</u>
Issued, Subsribed & Paid up Shares			
Shares at the end of the Accounting Period 1,30,20,900 (Previous Year 1,30,20,900) Equity Shares of ₹ 10/-	1,302.090	1,302.090	1,302.090
Total	1,302.090	1,302.090	1,302.090



Notes to Financial Statements

12.1 The company has only one class of equity Shares having Par Value of ₹ 10/- per Share. All these Shares have

12.2 The reconciliation of the number of Shares outstanding is set out Below

12.3 Shares In The Company Held By Each Shareholder Holding More Than 5% shares

Name of the Shareholders	AS AT 31ST MARCH 2023		% of Change in share holding	AS AT 31ST MARCH 2022		AS AT 31ST MARCH 2021	
	% of Shares held	No. Of Share		% of Shares held	No. Of Share	% of Shares held	No. Of Share
Reliable Finance Corp Pvt. Ltd.	-	-	(7.11)	7.11	926,600	7.11	926,600
VA Realcon Pvt. Ltd.	-	-	(7.11)	7.11	926,000	14.96	1,948,100
Pelicon Finance & Leasing Ltd	10.19	1,327,000	5.99	4.20	548,000	-	-
Avail Financial Services Ltd.	6.20	807,145	(1.64)	7.84	1,021,500	-	-
Victory Software Pvt. Ltd.	7.50	977,009	7.50	-	-	-	-
Paschim Finance & Chit Fund Pvt. Ltd.	12.46	1,622,200	12.46	-	-	-	-
India Solomon Holdings Ltd. (Formerly Known as Solomon Holdings Ltd.)	5.46	710,819	3.48	1.98	258,000	-	-
Genesis Devlopers & Holdings Ltd.	7.23	942,000	-	7.23	942,000	7.23	942,000
Shares held by the promoters at the end of year							
Surendra Kumar Jain	1.45	188,180	-	1.45	188,180	1.45	188,180
Virendra Jain	0.01	300	-	0.01	300	0.01	300
Priti Jain	2.10	273,720	-	2.10	273,720	2.10	273,720
Babita Jain	1.95	254,000	-	1.95	254,000	1.95	254,000



Notes to Financial Statements

NOTE 13: OTHER EQUITY

Refer Statement of Changes in Equity for detailed movement in Equity balance

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Reserve u/s 45IC			
At The Beginning Of The Accounting Period	112.317	112.317	93.373
Additions During The Year	32.554	-	18.944
At The End Of The Accounting Period	144.871	112.317	112.317
General Reserve			
At The Beginning Of The Accounting Period	-	-	-
Additions During The Year	-	-	-
At The End Of The Accounting Period	-	-	-
Securities Premium Account			
At The Beginning Of The Accounting Period	9,000.000	9,000.000	9,000.000
Additions During The Year	-	-	-
At The End Of The Accounting Period	9,000.000	9,000.000	9,000.000
Surplus in Statement of Profit & loss			
At The Beginning Of The Accounting Period	(368.212)	352.652	281.598
Additions During The Year	178.982	(720.864)	89.249
MAT Credit Entitlement	32.613	-	-
	(156.617)	(368.212)	370.847
Transfer to Reserve			
Reserve u/s 45IC	(32.554)	-	(18.944)
Provision for CSR Expenses	-	-	0.750
	(32.554)	-	(18.195)
At The End Of The Accounting Period	(189.170)	(368.212)	352.652
Grand Total	8,955.701	8,744.106	9,464.969

NON-CURRENT LIABILITIES

NOTE: 14 PROVISION

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Provision for Standard Assets	10.656	27.047	25.778
Provision for Taxation	32.613	-	37.361
Total	43.268	27.047	63.138

NOTE: 15 TRADE PAYABLE

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Sundry Creditors			
More than six months	-	-	-
Less than six months	-	0.002	-
Total	-	0.002	-

Notes to Financial Statements

NOTE 16 : OTHER FINANCIAL LIABILITIES

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022	AS AT 1ST APRIL 2021
Expenses Payable	5.121	3.980	2.261
Total	5.121	3.980	2.261

NOTE 17: REVENUE FROM OPERATION

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Sale of Trading Goods	86.643	124.175
Profit on sale of Investment	-	-
Interest on Loan (Gross TDS ₹ 54,04,467/- (Previous Year Gross TDS ₹ 51,91,868/-	626.838	606.701
Interest on Fixed Deposit Receipt	52.360	30.359
Total	765.841	761.235

NOTE 18: OTHER INCOME

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Dividend	1.016	0.363
Other Income	-	0.006
Bad Debts Recovery	4.793	-
Total	5.809	0.369

NOTE 19: PURCHASE OF STOCK IN TRADE

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Purchase of Trading Good	14.664	21.281
Total	14.664	21.281

NOTE 20: CHANGE IN INVENTORIES OF FINISHED GOODS

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Balance at the beginning of the year	1,593.171	2,477.158
Balance at the Closing of the year	1,191.498	1,593.171
Total	401.673	883.987

NOTE 21: EMPLOYEE BENEFIT EXPENSES

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Salary Expenses	77.732	77.466
Total	77.732	77.466

Notes to Financial Statements

NOTE 22: FINANCE COST

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Bank Charges	0.039	0.013
Total	0.039	0.013

NOTE 23: OTHER EXPENSES

(₹ in Lac)

PARTICULARS	AS AT 31ST MARCH 2023	AS AT 31ST MARCH 2022
Accounting Charges	0.050	0.050
Advertisement & Publicity Expenses	0.300	0.079
Annual Charges For Credit Rating	0.177	0.236
Audit Fees	0.590	0.250
Bad Debts W/off	53.517	6.130
Brokrage Paid	0.104	-
BSE enalty Processing Fees	0.118	-
Board Meeting Fees	0.140	0.020
Car Insurence	0.153	0.169
Car Repair & Maintenance	0.068	0.216
CDSL Custodial Fees	0.531	0.531
Certification Charges	0.160	0.033
Computer Repair & Maintenance	0.150	0.071
Conveyance Expenses	0.351	0.229
Demat Account Charges	0.041	0.076
Director Sitting Fees	0.580	-
Electricity Expenses	0.183	0.322
Festival Expenses	0.131	0.044
Filing Fees	0.096	0.064
Interest on TDS	0.063	0.026
Interest on Loan	0.098	0.220
Interest on delay payment of tax	-	2.389
Internal Audit Fees	0.100	0.100
ISO Certification Charges	0.030	-
Legal & Professional charges	2.053	1.439
Listing Fees	3.540	3.540
Loss on Fixed Assets	-	459.811
Miscellenous Expenses	0.107	0.200
NSDL Fees	0.720	0.616
Office repair & maintenance	2.101	8.914
Photocopy Expenses	0.181	0.025
Printing & Stationery	0.163	0.088
Registrar Charges	0.424	0.447
Tax Audit Fees	0.250	0.100
Telephone Expenses	0.043	0.009
Vehicle Running Expenses	1.518	0.132
Website Expenses	0.164	0.040
Total	68.996	486.614



Annexure 'A'

Detail of Closing Stock in Trade

S.N	PARTICULARS	QTY	AS AT 31ST MARCH 2023
1	ACC Ltd.	70	1.03
2	Alok Industries Ltd.	100	0.01
3	Ambuja Cements Ltd	300	1.09
4	Alstone Textiles India Ltd.	27122756	1,084.91
5	Ashok Leyland Ltd.	5	0.00
6	Balrampur Chinni Ltd.	200	0.89
7	Bank of Baroda	11	0.16
8	Bank Of Maharashtra Ltd.	100	0.02
9	Balmer Lawrie & Co. Ltd.	114	0.03
10	Canara Bank	79	0.28
11	CEAT Ltd.	10	0.00
12	Container Corporation of India Ltd.	5	0.01
13	DCM Financial Services Ltd.	1000	0.19
14	Deepak Fertilizers & Petrochemicals Corp. Ltd.	50	0.03
15	Dhampur Bio Organics Ltd	20	-
16	Dhampur Sugar Mills Ltd.	20	0.01
17	Escorts Finance Ltd.	200	0.14
18	Finolex Industries Ltd.	100	0.01
19	HDFC Bank Ltd	50	0.80
20	Housing Development and Infra. Ltd.	500	0.45
21	Indai Oil Corporation Ltd	1019	0.34
22	IDFC Limited	1000	1.58
23	IDFC First Bank Limited	1000	-
24	ICICI Bank Ltd.	127	1.07
25	IFCI Ltd.	1000	0.40
26	Indian Bank Ltd.	57	0.24
27	Infosys Ltd.	100	1.38
28	Indian Railway Finance Corp. Ltd.	24525	4.88
29	Insilco Ltd.	500	0.18
30	K. M .Sugar Mills Ltd.	7500	0.48
31	Larsen & Turbo Ltd	50	1.07
32	LML Ltd.	1000	0.17
33	Noesis Industries limited	100	0.07
34	Multi Commodity Exchange India Limited	10	0.11
35	NHPC Ltd.	2000	0.54
36	Omaxe Ltd.	125	0.14
37	Pavitra Bhumi Pvt. Ltd.	2400	0.24
38	Pennar Aluminium Company Ltd.	10000	0.06
39	PMC Fincorp Limited	100	0.00
40	Punjab National Bank Ltd.	500	0.48
41	Reliance Power Ltd.	500	0.77
42	Reliance Industries Ltd.	99	2.29
43	Sangotri Construction Ltd.	6000	0.12
44	SBI Life Insurance Co. Ltd.	100	1.10
45	State Bank Of India	100	0.51
46	Stellar Investment Ltd.	1352400	67.62
47	Tata Motors Ltd.	24	0.11
48	TCS	293	10.95
49	Union Bank of India	195	0.26
50	Uniroyal Marine Ltd.	500	0.01
51	Unitech Ltd.	1000	0.32
52	United Spirits Limited	500	3.73
53	Venus Sugar Ltd.	500	0.22
	TOTAL		1,191.50



Financial Ratio

(₹ in Lac)

Ratio	31.03.2023	31.03.2022	Variance (%)	Reason for Variance
(a) Current Ratio (Times) Current assets/ Current liabilities	10,306.18	10,077.22	2.272	There is recovery of loan
(b) Debt- Equity Ratio (Times) borrowing (long term & short term)	-	-	0.000	
(c) Debt service coverage ratio (Times) (Profit after tax + finance cost+ depreciation)/ (finance cost paid+principal repayment (long term borrowing and lease liabilities)	-	-	0.000	
(d) Return on Equity Ratio (%) (profit after tax/ average total equity)	195.38	(709)	904.000	There is increase in profit of the coompany
(e) inventory turnover Ratio (times) (sale of product/ average inventory)	1,191.49	1,593.17	-401.680	Sale in inventory
(f) trade receivables turnover Ratio (times) (sale of product/ average trade receivables)	-	-	0.000	
(g) trade payable turnover Ratio (times) (purchase of stock in trade and raw materials +other expenses/ average trade payables)	-	-	0.000	
(h) Net capital turnover Ratio (times) (sale of product/ average working capital)	10,306.18	10,077.22	228.960	There is a increase in networth of the company
(i) Net profit Ratio (%) (profit after tax/ revenue fom operation)	195.38	(709)	904.790	There is increase in profit of the coompany
(j) Return on capital employed (%) (profit before exceptional item, interest and tax/ average capital employed) Average capital employed= Net worth + Total debt+deferred tax liability	-	-	0.000	
(k) Return on investment (%) (closing balance+interest+dividend-opening+/- cash flows during the period)/ Average investments)	-	-	0.000	
Investment in subsidiaries, associates and joint ventures	-	-	0.000	
Investment in government securities	-	-	0.000	
Other investments	-	-	0.000	



SUNSHINE CAPITAL LIMITED

Regd. Office:-209, Bhanot Plaza-II, 3, D.B Gupta Road, Delhi-110055

Corp. Office:- 16/121-122, Jain Bhawan, I Floor, Faiz Road, WEA, Karol Bagh, New Delhi-110005

DEPRECIATION CHART AS PER INCOME TAX ACT

(₹ in Lac)

PARTICULARS	DEP. RATE	OPENING WDV	ADDITION / REVALUATION ON OR BEFORE 30.09.2022	ADDITION / REVALUATION AFTER 30.09.2022	SOLD DURING THE YEAR	TOTAL	DEPRECIATION	CLOSING WDV
Computer	40%	0.116	-	-	-	0.116	0.046	0.070
Furniture & Fixtures	10%	5.633	-	-	-	5.633	0.563	5.070
Land & Building	0%	726.312	-	-	-	726.312	-	726.312
Plant & Machinery	15%	8.038	53.430	-	-	61.468	9.220	52.248
Total Assets		740.099	53.430	-	-	793.529	9.830	783.699

IN TERMS OF OUR REPORT OF EVEN DATE ANNEXED

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N



CA. MANINDRA K TIWARI
(PARTNER)
M.NO: 501419
UDIN: 23501419BGWNB19900

FOR AND ON BEHALF OF
SUNSHINE CAPITAL LIMITED

SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)
DIN: 00530035

BHUPENDRA KAUSHIK
(DIRECTOR)
DIN : 07016552

PLACE : NEW DELHI
DATE : 29.05.2023

SANGEETA
(C.F.O)

AMIT KUMAR JAIN
(COMPANY SECRETARY)

Notes to the Financial Statements

Note 1: COMPANY INFORMATION

Sunshine Capital Limited is a public limited company (The Company) having registered office at 209, Bhanot Plaza-II, 3, D.B Gupta Road, New Delhi-110055. The Company is listed on the BSE (Bombay Stock Exchange). The company is engaged in financing business, trading in shares and investment activities. We believe that we are well placed to leverage on the growth opportunities in the economy.

Note 2: BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Measurement

(a) Basis for preparation of Accounts:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

The financial statements are presented in INR, the functional currency of the Company. Items included in the financial statements of the Company are recorded using the currency of the primary economic environment in which the Company operates (the 'functional currency'). Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes in these financial statements. The financial statements of the Company for the year ended 31st March, 2023 were approved for issue in accordance with the resolution of the Board of Directors 29th May, 2023.

(b) Current - Non Current classification

All assets and liabilities are classified into current and non-current as per company normal accounting cycle.

(i) Assets

"An asset is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;
- 3) It is expected to be realised within 12 months after the reporting date; or
- 4) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

(ii) Liabilities

"A liability is classified as current when it satisfies any of the following criteria:

- 1) It is expected to be settled in the company's normal operating cycle;
- 2) It is held primarily for the purpose of being traded;



Notes to the Financial Statements

- 3) It is due to be settled within 12 months after the reporting date; or
4) The company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity Instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

"Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

(c) Basis of measurement

These financial statements are prepared under the historical cost convention unless otherwise indicated.

(d) Key Accounting Estimates and Judgments **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting year end. Although these estimates are based upon management's best knowledge of current events and actions, actual result could differ from these estimates. Any revisions to the accounting estimates are recognized prospectively in the current and future years.

(e) Tangible fixed assets

"Tangible fixed assets (except freehold land which is carried at cost) are stated at cost of acquisition less accumulated depreciation and impairment loss, if any. Cost of acquisition includes freight inward, duties, taxes and other directly attributable expenses incurred to bring the assets to their working condition.

(f) Depreciation and amortisation

The company has followed the WDV method for the depreciation and amortization of all tangible and intangible assets. There is no change in the method of depreciation during previous year.

(g) Investments:

Investments are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

(h) Cash and Cash Equivalents:

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

(i) Trade Receivables and Loans:



Notes to the Financial Statements

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

(j) Provisions and Contingent Liabilities:

Provisions are recognised when the Company 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 the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where 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.

(k) Revenue Recognition:

(i) Loan Income

In respect of loan agreements, the income is accrued by applying the impact rate in the transaction on declining balance on the amount financed for the period of the agreement.

(ii) Dividend income on investments is recognized when the right to receive the same is established.

(iii) No income is recognized in respect of Non- performing assets, if any, as per the prudential norms for income recognition introduced for Non-Banking Financial Corporation by Reserve Bank of India vide its notification o.DFC.NO.119/DG/ (SPT)-98 date 31-01-1998 and revised notification no. DNBS.192/DG (VL)-2007 dated 22-02-2007.

(l) Expenditure:

Expenses are accounted on accrual basis.

(m) Provisions of Assets

The company makes provisions for standard and Non-performing Assets as per the Non-Banking Financial (Non-Deposit Accepting of Holding Companies prudential Norms Reserve Bank) Directions, 2007, as amended from time to time. The company also makes additional provisions towards loan assets, to the extent considered necessary, based on the management's best estimate.

Loan assets which as per the management are not likely to be recovered are considered as bad debts and written off.

Provisions on standards assets are made as per the notification DNBS.PD.CC.No. 002/03.10.001/2014-15 dated Nov 10, 2014 issued by Reserve Bank of India.



Notes to the Financial Statements

(n) Provisions, contingents Liabilities and contingent Assets

(i) A Provision is recognized when the company has present obligation as a result of past event and it is probable that outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are not discounted to their present value are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(ii) Contingent Liabilities are disclosed separately by way of note to financial statements after careful evaluation by the managements of the facts and legal aspects of the matter involved in case of:

- (a) A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- (b) A possible obligation, unless the probability of outflow of resources is remote.

(iii) Contingent Assets are neither recognized, nor disclosed in the financial statements.

(o) Income Taxes:

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in current tax expense.

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are

recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

(p) Employee Benefits

No provision of retirement benefits of employees such as leave encashment, gratuity has been made during the year by the company. The same shall be accounted for as and when arises.



Notes to the Financial Statements

22. Previous year's figures have been reworked, regrouped, rearranged & reclassified wherever necessary to confirm to the current year presentation.
23. In the opinion of Board of Director, the current assets, loans & advances have a value on realization in the ordinary course of business at least equal to the amount at which these are stated.
24. As per AS-2 the inventories are to be valued at cost or market value whichever is less.
25. Statutory Reserve represents the Reserve Fund created u/s 45-IC of the Reserve Bank of India Act, 1934. An amount of ₹ 32,55,352/- (Previous Year ₹ 0.00) representing 20% of Net Profit is transferred to the fund for the year.
26. **Contingent liabilities and pending litigations:**
There is no tax demand is pending as on date.
27. **Related Party Disclosure:**
As per Accounting Standard 18 on related Party disclosure issued by the Institute of chartered Accountants of India, the nature and volume of transaction of the company during the year with the related parties were as follows:

Name of the Related Party	Relationship	Nature of Transaction	Amount of Transaction
Babita Jain	Relative of KMP	Loan of Loan	1,88,45,680/-
Virendra Jain	Relative of KMP	Loan Given	8,72,88,202/-
Surendra Kumar Jain	Managing Director	Director Remuneration	36,00,000/-
Babita Jain	Relative of KMP	Remuneration	18,00,000/-
Amit Kumar Jain	Company Secretary	KMP Remuneration	1,80,000/-

Note: Related party relationship is as identified by the Company and relied upon by the auditor.

The following Director of the company are Director in other Companies:

Surendra Kumar Jain	Bhupendra Kaushik	Luv Sharma	Promila Sharma
Sital Leasing & Finance Limited	Abhijit Trading Co. Ltd.	Pacheli Industrial Finance Limited	Pacheli Industrial Finance Limited
Shri Niwas Leasing And Finance Limited	Sital Leasing & Finance Limited	Abhijit Trading Co Limited	Abhijit Trading Co Limited
RKG Finvest Limited	Relax Pharmaceuticals Private Limited	Alstone Textiles (india) Limited	Shri Niwas Leasing And Finance Limited
	Copmed Pharmaceuticals Private Limited	India Solomon Holdings Limited	Legend Infoways Limited
	India Solomon Holdings Limited		
-	VMK Professionals Private Limited		-
-	Qualitek Starch Private Limited		-
-	Auxilia Foundation		-



Notes to the Financial Statements

28. Segment Reporting: The Company's business activity falls within single primary/secondary business segment viz., Finance Activity. The disclosure requirement of Accounting Standard (AS) - 17 "Segment Reporting" issued by the Institute of Chartered Accountant of India, therefore is not applicable.
29. Information as required by Non Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Direction, 2007 is Furnished vide Annexure -1 Attached Herewith.
30. **Provision for Standard and Non-Performing Assets:** Provision for non performing assets (NPAs) is made in the financial statements according to the Prudential Norms prescribed by RBI for NBFCs. The Company also makes additional provision towards loan assets, based on the management's best estimate. Additional provision of 0.40% on Standard assets has also been made during the year, as per stipulation of RBI on Standard assets. Company has made provisions for Standard Assets as well as Non-Performing Assets as per the table below:

	(In ₹)	
Particulars	March 31, 2023	March 31, 2022
Sub standard Assets		
Total Non-Performing Assets	0	0
Provision already available	0	0
Additional Provision made during the year	0.00	0.00
Reversed Provision During the Year	0	0
Total Provision at the end of the Year	0.00	0.00
Standard Assets		
Provision already available	27,04,655.00	25,77,776.00
Additional Provision made during the year	0.00	1,26,879.00
Reversal of provision during the year	16,39,099.00	0.00
Total Provision at the end of the Year	10,65,556.00	27,04,655.00

31. Earnings per Share as per "AS- 20" issued by the Institute of Chartered Accountants of India:

	(In ₹)	
Particulars	March 31, 2023	March 31, 2022
Profit/(Loss) after taxation as per Profit and Loss Account (In ₹)	1,78,98,210	(7,20,86,389)
Weighted average number of Equity Shares outstanding during the year	13,020,900	13,020,900
Nominal value of Equity shares (In ₹)	10/-	10/-
Basic earnings per share (In ₹)	1.38	(5.54)
Diluted earnings per share (In ₹)	1.38	(5.54)

32. The company estimates the deferred tax charted/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year.



Notes to the Financial Statements

Details of Deferred tax Assets/ (Liabilities) are as follows:-

Calculation Of Deferred tax Asset	
WDV as per Companies Act	7,74,79,470
WDV as per Income Tax	7,83,69,936
Timing Difference	(8,90,466)
Deferred Tax Asset	(1,35,739)

34. Details of Policy Developed And Implemented by the Company on its Corporate Responsibility Initiatives

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

35. Details of Crypto / Virtual Currency

There were no Transaction and Financial Dealing in Crypto / Virtual Currency during the Financial Year 2022-23.

36. Micro and Small Scale Business Industries:-

There are no Micro, Small and Medium Enterprises, to whom the company owes dues which outstanding for more than 45 days as at 31st March, 2023. This information as required to be disclosed under the Micro, Small and Medium Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with company.

AUDITOR'S REPORT SIGNED IN TERMS OF OUR SEPARATE REPORT OF EVEN DATE

FOR TIWARI & MISHRA
(CHARTERED ACCOUNTANTS)
FIRM REGN NO: 018393N

FOR SUNSHINE CAPITAL LIMITED

CA. MANINDRA K TIWARI
(PARTNER)
M.NO: 501419
UDIN: 23501419BGWNB19900

SURENDRA KUMAR JAIN
(MANAGING DIRECTOR)
DIN: 00530035

BHUPENDRA KAUSHIK
(DIRECTOR)
DIN: 07016552

PLACE: NEW DELHI
Date: 29.05.2023

SANGEETA
(C.F.O)

AMIT KUMAR JAIN
(COMPANY SECRETARY)

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

You should read the following discussion of our financial condition and results of operations together with our audited financial statements as of and for the Fiscal 2023 and Fiscal 2022, Fiscal 2021 and our unaudited financial results for the three months period ended June 30, 2023 included in this Draft Letter of Offer. Our audited financial statements for Fiscal 2023 and Fiscal 2022 and Fiscal 2021 and unaudited financial results for the three months period ended June 30, 2023, are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements and Unaudited Financial Results of our Company.

Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Sunshine Capital Limited, our Company. Unless otherwise indicated, financial information included herein are based on our **"Financial Information"** for the Financial Year 2023, 2022, 2021 and the period ended on June 30, 2023 included in this Draft letter of offer beginning on page 76 of this Draft Letter of Offer.*

Note: Statement in the Management Discussion and Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward Looking Statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting demand/supply and price conditions in domestic and overseas market in which we operate, changes in Government Regulations, Tax Laws and other Statutes and incidental factors.

BUSINESS OVERVIEW

Our Company was originally incorporated as "Sunshine Capital Private Limited" under the provision of the Companies Act, 1956 vide certificate of incorporation dated July 11, 1994 issued by the Registrar of Companies, NCT of Delhi & Haryana. Subsequently, our company was converted into a public limited company vide special resolution passed by our shareholders in the EoGM held on February 02, 1995, and consequently the name of the Company was changed from "Sunshine Capital Private Limited" to "Sunshine Capital Limited" vide fresh certificate of incorporation granted to our company consequent upon conversion into public limited company dated March 09, 1995 by the Registrar of Companies, NCT of Delhi & Haryana. The Corporate Identification Number of our Company is L65993DL1994PLC060154.

We are a Non-deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFI (Non-Bank Financial Institution) activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 14.01266 dated May 20, 1998. Our Company is engaged in the business of providing short term and long-term funds working capital loans, loan against property, personal loans to customers depending upon their needs and requirements and Investment in securities of potential business. The Company utilizes structured finance products to provide cost-effective forms of financing that would not otherwise be readily available to clients, with an emphasis on providing long-term finance and trading solutions. The company has a wide Range of Products catering to different segments and meeting varied requirements of the customers.

For further details, please refer section titled **"Our Business"** on page 68 of this Draft Letter of Offer.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "**Risk Factor**" beginning on page 25 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies;
- Company's results of operations and financial performance;
- Our ability to attract and retain qualified personnel;
- The performance of the financial market in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Market fluctuations and industry dynamics beyond our control;
- Conflict of interest with our promoter and other related parties;
- Other factors beyond our control;
- 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;
- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Inflation could trigger increase in consumer price inflation, which would dampen growth.
- Unfavourable economic development.
- Market risk arising from changes in the value of financial instruments as a result of changes in market variables like interest rate and exchange rates.
- Availability of cost- effective sources of capital;
- Credit quality and provisioning;
- Our ability to successfully execute our growth strategies;
- General Economic and Market Conditions;
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Changes in the value of the Indian rupees and other currencies;
- Arising any type of pandemic situation.

OUR SIGNIFICANT ACCOUNTING POLICIES

For disclosure of our Significant Accounting policies as at and for the year ended March 31, 2023, as required by Ind AS and other applicable standards, see section titled "Financial Information" on page 76.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter "Financial Information" on page 76 of this Draft Letter of Offer, there has been no change in the accounting policies during the Fiscal 2023 and three months period ended June 30, 2023.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors' report for Fiscal 2023.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following table sets forth select financial data from our Audited financial statement of profit and loss for the financial years ended March 31, 2023, 2022 and unaudited financial results for the three months period ended June 30, 2023 the components of which are also expressed as a percentage of total revenue for such period and financial years:

(₹ in Lakhs)

Particulars	For the period ended 30 th June, 2023	(%)*	For the period ended 31 st March, 2023	(%)*	For the period ended 31 st March, 2022	(%)*
Total Revenue:						
Revenue from Operations	168.67	99.94%	765.84	99.25%	761.24	99.95%
Other income	0.02	0.06%	5.81	0.75%	0.37	0.05%
Total Revenue	168.70	100.00%	771.65	100.00%	761.60	100.00%
Expenses:						
Finance Cost	-	0.01%	0.04	0.01%	0.01	0.00%
Fee and commission expense	-	0.00%	-	0.00%	-	0.00%
Purchase of stock in trade	-	6.46%	14.66	1.90%	21.28	2.79%
Changes in Inventories of finished goods, stock-in -trade and work -in - progress	-	-6.45%	401.67	52.05%	883.99	116.07%
Employee benefits expenses	14.76	4.73%	77.73	10.07%	77.47	10.17%
Depreciation, amortisation and impairment	-	0.00%	13.17	1.71%	1.65	0.22%
Other expenses	13.76	18.34%	69.00	8.94%	486.61	63.89%

Total Expenses	28.43	23.09%	576.27	74.68%	1,471.01	193.15%
Profit before Tax and Extraordinary Expenses	140.27	76.91%	195.38	25.32%	-709.41	-93.15%
Exceptional Items	-	0.00%	16.39	2.12%	-1.27	-0.17%
Profit/(Loss) before tax	140.27	76.91%	211.77	27.44%	-710.68	-93.31%
Tax Expenses/(Income)						
Current Tax	-	0.00%	32.61	4.23%	-	0.00%
Deferred Tax	-	0.00%	0.18	0.02%	0.19	0.02%
Excess Provision for Income Tax	-	0.00%	-	0.00%	-	0.00%
Previous Year Taxes	-	0.00%	-	0.00%	-10.00	-1.31%
Total tax expenses	-	0.00%	32.79	4.25%	10.18	1.34%
Profit/(loss) after tax	140.27	76.91%	178.98	23.19%	-720.86	-94.65%

*(%) column represents percentage of total revenue.

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenues

◆ Revenue of operations:

Our Company's revenue is primarily generated from Interest Income, Sales of shares/ securities held as stock in trade and Interest on Fixed Deposits Receipts.

◆ Other Income:

There is other income during the year ended 2023 arises from Dividend income and Bad Debts Recovery.

Expenses

Our expenses primarily consist of Employee Benefits Expenses, Purchase of Stock in Trade, Changes in Inventories of finished goods, stock-in-trade and work-in-progress, Depreciation and amortisation expenses, Other Expenses.

◆ Purchase of Stock in Trade

It includes purchase of shares/ securities held as stock in trade.

♦ **Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress**

It is the difference of Closing Stock and Opening Stock.

♦ **Employment Benefit Expenses**

It includes Salary Expenses and Staff Welfare Expense related to Employees.

♦ **Depreciation and Amortisation Expenses**

It includes Depreciation on Vehicles, Office Equipment, Furniture & Fixtures.

♦ **Other Expenses**

Other expense mainly comprises of expenses related to Bad Debt Written Off, Office Repair & Maintenance, and Legal and Professional Charges.

♦ **Tax Expenses**

Tax expense comprises of current tax, and deferred tax.

FINANCIAL YEAR 2022-23 COMPARED WITH THE FINANCIAL YEAR 2021-22

Total Revenue

Our total revenue Increased by 1.32% from ₹ 761.60 Lakhs for the financial year 2021-22 to ₹ 771.65 Lakhs for the financial year 2022-23 due to the factors described below:

- *Revenue from operations*

Our revenue from operations Increased by 0.61% from ₹ 761.24 Lakhs for the financial year 2021-22 to ₹ 765.84 Lakhs for the financial year 2022-23.

- *Other Income*

Other income increased by 1474.25% from ₹ 0.37 Lakhs for the financial year 2021-22 to ₹ 5.81 Lakhs for the financial year 2022-23.

Total Expenses

Total Expenses decreased by 60.83% from ₹1,471.01 Lakhs in the financial year ended March 31, 2022 to ₹576.27 Lakhs in the financial year ended March 31, 2023. Our total expenses decreased due to the factors described below:

Purchase of Stock in Trade

The purchase of stock in Trade decreased by 31.09% from ₹ 21.28 Lakhs for the financial year 2021-22 to ₹ 14.66 Lakhs for the financial year 2022-23.

Changes in Inventories of finished goods, stock-in -trade and work -in – progress

The Changes in Inventories of finished goods, stock-in-trade and work in progress decreased by 54.56% from ₹ 883.99 Lakhs for the financial year 2021-22 to ₹ 401.67 Lakhs for the financial year 2022-23.

Employee Benefit Expenses

Employee Benefit Expenses in terms of value and percentage increased by 0.34% from ₹ 77.47 Lakhs in the financial year ended March 31, 2022 to ₹ 77.73 Lakhs in the financial year ended March 31, 2023.

Other Expenses

Other Expenses in terms of percentage decrease by 85.82% from ₹ 486.61 Lakhs in the financial year ended March 31, 2022 to ₹ 69.00 Lakhs in the financial year ended March 31, 2023.

Finance Costs

Finance cost in terms of percentage increase by 200.00% from ₹ 0.01 Lakhs in the financial year ended March 31, 2022 to ₹ 0.04 Lakhs in the financial year ended March 31, 2023.

Depreciation & Amortization Expenses

Depreciation in terms of value increased by 696.43% from ₹ 1.65 Lakhs in the financial year ended March 31, 2022 to ₹ 13.17 Lakhs in the financial year ended March 31, 2023.

Profit Before Tax

Profit before tax has increased by ₹922.45 Lakhs from loss of ₹710.68 Lakhs in the financial year ended March 31, 2022 to profit of ₹ 211.77 Lakhs in the financial year ended March 31, 2023.

Net Profit After Tax

Net Profit has increased by ₹899.86 Lakhs from loss of ₹ 720.87 Lakhs of financial year ended March 31, 2022 to profit of ₹ 178.98 Lakhs in the financial year ended March 31, 2023.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, sitting fees, office rent. For further details of related parties kindly refer chapter titled "**Financial Information**" beginning on page 76 of this Draft letter of offer.

SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after June 30, 2023, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations.

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ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from audited financial statements for the financial years ending March 31, 2023, March 31, 2022 and March 31, 2021. For further details please refer to the chapter titled "Financial Information" beginning on page 76 of this Draft Letter of Offer.

Particulars	Annual Financial Statements		
	As at and for the year ended March 31, 2023	As at and for the year ended March 31, 2022	As at and for the year ended March 31, 2021
Basic EPS (₹)	1.37	-5.54	0.69
Diluted EPS (₹)	1.37	-5.54	0.69
Return on Net Worth (%)	1.76%	-6.93%	0.84%
Net Assets Value per Equity Share (₹)	78.78	77.15	82.69
EBITDA (₹ in Lakhs)	224.98	-709.01	128.22

The formula used in the computation of the above ratios are as follows:

Basic earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted earnings per share	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on net worth (in %)	Total comprehensive income for the year/ Average Net Worth. Average Net Worth is average of opening and closing Net Worth. Net Worth here refers to the aggregate of equity and other equity as shown on the face of the Annual Financial Statements.
Net asset value per Equity Share	Net Worth/ Number of Equity Shares outstanding as at the year end
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense

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SECTION VIII- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company whose financial statements are included in the letter of offer including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

For the purpose of determining materiality, the threshold shall be determined by the issuer as per requirements under the SEBI (LODR) Regulations;

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

I. Litigation involving our Company: Litigation filed by and against our Company

1. Criminal proceeding: Nil

2. Outstanding actions by regulatory and statutory authorities

(₹ in Lakhs)		
Nature of Litigation	Litigation Number	Amount Involved*
We have received a notice of Income-tax Department, 1961('Act) received in respect of AY 2019-20 In this respect of Criminal MC No. 6600/2022 under section 482 Cr.P.C before the High court of Delhi. Title: Sunshine Capital Limited vs Assistant commissioner of income tax. Stay order passed by HC against the proceeding of case filed by Income Tax Department before ACMM, Tis Hazari Court, Delhi and further Proceedings are pending.	Criminal MC No. 6600/2022	6849.31
Writ Petition (Civil) No. 7015/2022. Title: Sunshine Capital Limited V/S Deputy Commissioner of Income tax circle9(1) Delhi Writ petition filed by the Company, pending before the Hon'ble High Court of Delhi	Writ Petition (Civil) No. 7015/2022	6849.31

*To the extent quantifiable

3. Civil proceeding: Nil

II. Litigation involving our Promoters and Directors: Litigation filed by and against our Promoters and Directors

1. Criminal proceedings:

(₹ in Lakhs)

Nature of Litigation	Litigation Number	Amount Involved*
Surendra Kumar Jain and Virendra Jain Complaint case under PMLA Act under section 4 before District and session judge cum Special judge, PC Act CBI, rouse avenue court, New Delhi. Complaint case number 23/2019. Serious Fraud Investigation office vs Surendra Kumar Jain Pending before Sessions Court, Rouse Avenue New Delhi	Complaint case number 23/2019.	Unquantifiable
Surendra Kumar Jain and Virendra Jain Sessions case number 09/2019 Directorate of Enforcement vs Surendra Kumar Jain and Others under PMLA section 45. Before the District and session judge cum Special judge, PC Act CBI, rouse avenue court, New Delhi Pending before Sessions Court, Rouse avenue New Delhi	Sessions case number 09/2019	Unquantifiable
Surendra Kumar Jain and Virendra Jain Special case number 101089/2021 Directorate of Enforcement vs Sachin Waze and others under act PMLA under section 3,4 & RW section 45. Before City sessions court Mumbai Pending before City Sessions Court, Mumbai	Special case number 101089/2021	Unquantifiable

2. Outstanding actions by regulatory and statutory authorities: Nil

3. Civil proceedings: Nil

IV. Disclosures Pertaining to Wilful Defaulters or a Fraudulent Borrower

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

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GOVERNMENT AND OTHER STATUTORY APPROVALS

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

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "**Objects of the Issue**" beginning on page 53 of this Draft Letter of Offer.

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OTHER REGULATORY AND STATUTORY APPROVALS

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of the Board passed at its meeting held on 16th March 2023 pursuant to Section 62(1)(a) of the Companies Act, 2013.

The Rights Issue Committee has at its meeting held on [●], determined the Issue Price as [●] per Rights Equity Share (including a premium of [●] per Rights Equity Share) and the Rights Entitlement as [●] Rights Equity Shares for every [●] Equity Shares held on the Record Date.

This Draft Letter of Offer has been approved by Rights Issue Committee pursuant to their resolutions dated September 29, 2023.

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

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. Our Company has been allotted the ISIN [●] both from NSDL and CDSL for the Rights Equity Shares issued pursuant to this Issue. For details, see section titled "*Terms of the Issue*" beginning on page 132 of this Draft Letter of Offer.

PROHIBITION BY SEBI AND OTHER GOVERNMENTAL AUTHORITIES

Our Company, our Promoters, our Promoter Group or our Directors, the persons in control of our Company have not been debarred and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

The companies with which the Promoters or the Directors are associated as promoters or directors have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

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

PROHIBITION BY RBI

Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulters or a Fraudulent Borrowers.

CONFIRMATION UNDER THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

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

ELIGIBILITY FOR THE ISSUE

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

COMPLIANCE WITH REGULATION 61 AND 62 OF THE SEBI (ICDR) REGULATIONS

The present Issue being of less than ₹5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI.

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 BSE for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for 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 the SEBI (ICDR) Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI (LODR) Regulations with BSE, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with BSE;
2. The reports, statements and information referred to above in clause (1) are available on the website of BSE;
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 of directors 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, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

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

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

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

DISCLAIMER CLAUSES FROM OUR COMPANY

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

Investors who invest in this Issue will be deemed to have represented by our Company, their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue. Our Company, directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

CAUTION

Our Company shall make all the relevant 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 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 of this Draft Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

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

DESIGNATED STOCK EXCHANGE

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

DISCLAIMER CLAUSE OF BSE

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

CONSENTS

Consents in writing of our Directors, Auditors, Compliance Officer, Banker to Issue and the Registrar to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

PERFORMANCE VIS-A-VIS OBJECTS – PUBLIC/RIGHTS ISSUE OF OUR COMPANY

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

PERFORMANCE VIS-A-VIS OBJECTS – LAST ISSUE OF LISTED SUBSIDIARIES OR ASSOCIATES

Our Company does not have any listed subsidiaries or associate companies as on the date of this Draft Letter of Offer.

EXPERT OPINION

Except for the reports in the section “Financial Information of the Company” on Financial Information and “Statement of Tax Benefits” on page 76 and page 57, respectively from the Statutory Auditors, our Company has not obtained any expert opinions.

FILING

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

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, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft 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 Exchange.

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 hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "Securities Act"), OR "U.S. Securities Act") OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND EQUITY SHARES REFERRED TO IN THE DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THE DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes containing an Application Form 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 Draft Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed "Overseas Shareholders" to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; (iii) where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such Application Form.

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the U.S. 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 Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS 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 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 ANY OTHER JURISDICTION AT ANY TIME.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee which meets at least once 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 Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e., **Skyline Financial Services Private Limited**. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investor Grievances arising out of this Issue

Investors may contact to our Company Secretary and Compliance Officer for any pre- Issue or post Issue related matter. All grievances relating to the ASBA process may be addressed to the, 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 Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, please refer to "**Terms of the Issue**" beginning on page 132 of this Draft Letter of Offer. The contact details of our Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Mr. Amit Kumar Jain 209, Bhanot Plaza II, 3 D B, Gupta Road, New Delhi-110055, India. Contact Details: 011-23582393 /9891709895 Email: sunshinecapital95@gmail.com	Skyline Financial Services Private Limited D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Tel: 011 – 40450193-97 & 011- 26812682-83 E-mail: ipo@skylinerta.com Website: www.skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration Number: INR000003241

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 at www.skylinerta.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (ipo@skylinerta.com /011- 40450193-97).

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SECTION IX– ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company are 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 Stock Exchange 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 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 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 Indian addresses provided by them.

Further, the 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 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 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 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 www.sunshinecapital.in
- The Registrar to the Issue at <https://www.skylinerta.com>; 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.skylinerta.com>/ by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as maybe required. The link for the same shall also be available on the website of our Company at www.sunshinecapital.in

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible. Our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as maybe required.

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 143 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. Our Company may 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 atleast 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 150 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 157 of this Draft Letter of Offer.

e. 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 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 page 143 of the Draft Letter of Offer.

f. 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.skylinerta.com
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: **Skyline Financial India Private Limited**
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: **Skyline Financial India Private Limited**

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 16th March 2023 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

The Board of Directors in their meeting held on [●] have determined the Issue Price at [●] per Equity Share. Further the Board of Directors has in their meeting held on [●] has determined the Rights Entitlement as [●] Rights Equity Share(s) for every [●] 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 letter dated [●]. 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 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 132 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")

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.skylinerta.com/> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company <https://www.skylinerta.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 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 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 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 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

The 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 Exchange' websites.

The distribution of the 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 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 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, 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 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 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 Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the 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.

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 ₹ [●] 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 [●] Rights Equity Share(s) for every [●] 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 ₹ [●] 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 [●] Rights Equity Share(s) for every [●] 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 [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored 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 [●] Equity Shares, Such Shareholder will be entitled to [●] 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 [●] 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 [●] 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, 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: **INE974F01017** on BSE. 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. Our Company has received In-Principle approval from BSE through letter dated [●]. The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. 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 Stock Exchange. 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 Stock Exchange, our Company will within four days forth with 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 132 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 49 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 Right 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 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 New Delhi and Hindi 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 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 150 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 e-mail 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 not be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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

- Our Company <http://www.sunshinecapital.in>
- The Registrar to the Issue at <https://skylinerta.com> and
- 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., www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., <http://www.sunshinecapital.in>). The Application Form can be used by the Investors, Eligible

Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. 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 154 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 "**Application on Plain Paper under ASBA process**" beginning on page 146 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 material would also be available on the website of the Registrar to the Issue at <https://skylinerta.com> and link of the same would also be available on the website of our Company at (<http://www.sunshinecapital.in>). 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 applying to subscribe to Rights Equity Shares may also 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 150 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 146 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 132 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 157 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 stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

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 stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity

Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. 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 stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock 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 Sunshine Capital Limited;
- Name and address of the Eligible Equity Shareholder including jointholders (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 ₹[●] 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 off shore 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 their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://skylinerta.com>. 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 maybe extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "**Terms of the Issue - Basis of Allotment**" beginning on page 157 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 asset 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.
- 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 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 atleast 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 146 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 158 OF THIS DRAFT LETTER OF OFFER.

General instructions for Investors

- i. Please read the Draft Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- ii. 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.
- iii. Please read the instructions on the Application Form sent to you.
- iv. The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- v. Application should be made only through the ASBA facility.
- vi. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- vii. 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 146 of this Draft Letter of Offer.
- viii. 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.
- ix. 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.
- x. 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 authorizing 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.
- xi. Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- xii. 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.
- xiii. 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.
- xiv. 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.

- xv. 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.
- xvi. 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.
- xvii. 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.
- xviii. 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.
- xix. 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.
- xx. 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.
- xxi. 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 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 "**Application by Eligible Equity Shareholders on Plain Paper under ASBA process**" beginning on page 146 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 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 an 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 in accurate detail provided in the Application. Our Company, 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.

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 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/FOLIONUMBER 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 maybe, 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 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 162 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 49 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 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 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such other rate as specified under applicable law from the expiry of such 15 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 15 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:

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 15 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 ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED 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 150 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 IFPIs, 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.

NRI 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 accounts 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 upto 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 upto 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 upto ₹50 lakhs or with both.

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. 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 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

- 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, undersubscription 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 time to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Minimum Subscription

This Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakhs.

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

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

Therefore, minimum subscription clause is not applicable and the size of the issue will stand reduced to the extent of the Rights Issue subscribed.

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 Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees ten crores to Rupees fifty crores. Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with BSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with BSE and CSE.

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 maybe 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 25 of this Draft Letter of Offer.

All enquiries in connection with this 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:

Skyline Financial Services Private Limited,
D-153 A, 1st Floor, Okhla Industrial Area,
Phase – I, New Delhi-110020

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 <https://skylinerta.com>. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is ipo@skylinerta.com.

The Issue will remain open for minimum period of 7 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

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RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("DPIIT"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("FDI Circular 2020"), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2020 will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

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.

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SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this 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 sunshinecapital95@gmail.com.

I. Material Contracts for the Issue

- i. Registrar Agreement dated [●] entered into amongst our Company and to the Registrar to the Issue;
- ii. Banker to the Issue Agreement dated [●] entered amongst our Company, the Registrar to the Issue and Banker(s) to the Issue.

II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the financial years ended March 31, 2022 and March 31, 2021
- iii. Certificate of incorporation dated July 11, 1994.
- iv. Registration Certificate of RBI to carry on the NBFI (Non-Bank Financial Institution) activities under Reserve Bank of India Act, 1934 and falls under category of Investment Company bearing Registration no. B-14.01266 dated September 25, 1998.
- v. Resolution of the Board of Directors dated March 16, 2023 in relation to the Issue.
- vi. Resolution of the Right Issue dated September 29, 2023 approving and adopting the Draft Letter of Offer.
- vii. Resolution of the Board of Directors dated [●] in relation to the terms of the Issue including the Record Date, the Issue Price and the Rights Entitlement Ratio.
- viii. Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- ix. The audited financial results for the year ended March 31, 2023 included in this Draft Letter of Offer.
- x. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue, Banker to the Company and the Legal Advisor to the Issue for inclusion of their names in the Letter of Offer in their respective capacities.
- xi. Statement of Tax Benefits dated June 07, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
- xii. In-principle listing approvals [●], from the BSE Limited (BSE).

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Surendra Kumar Jain

Managing Director

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Priti Jain

Director

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Rekha Bhandari

Director

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Bhupendra Kaushik

Independent Director

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Subodh Kumar

Independent Director

DECLARATION

We hereby declare that all relevant provisions of the Companies Act and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY:

Sd/-

Promila Sharma

Independent Director