



Srestha Finvest Limited

SRESTHA FINVEST LIMITED
CIN: L65993TN1985PLC012047

Our Company was originally incorporated on July, 22, 1985 as 'M.S. Investments Private Limited' as a private limited company under the provisions of the Companies Act, 1956, in the State of Tamil Nadu. Thereafter, our Company was converted into a public limited company and a Certificate of Incorporation consequent upon conversion to public limited company was issued on June 23, 1994 by the Registrar of Companies, Tamil Nadu. Further, the name of our Company was changed to 'M.S Investments Limited' to Srestha Finvest Limited as per the provision of the Companies Act 2 013 as on October 16, 2015 the Registrar of Companies, Chennai The Corporate Identification Number of Our Company is L65993TN1985PLC012047. For further details refer to the section titled 'General Information' beginning on Page 44 of this Draft Letter of Offer.

Registered Office: Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, , Chennai, Tamil Nadu, 600003;
Contact Details: +044 - 40057044, **Contact Person:** Mr. A. Jithendra Kumar Bafna, Company Secretary & Compliance Officer;
Email-ID: srestha.info@gmail.com **Website:** www.srestha.co.in

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF OUR COMPANY

RIGHTS ISSUE OF UP TO [●]* FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹2.00/- (RUPEE TWO ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●]/- (RUPEES [●] ONLY) PER EQUITY SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT AGGREGATING UP TO ₹ 49,00,00,000 (RUPEES FOURTY NINE CRORE ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF SRESTHA FINVEST LIMITED('COMPANY' OR 'ISSUER') IN THE RATIO OF [●] RIGHTS SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] ('ISSUE'). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 114 OF THIS DRAFT LETTER OF OFFER.

*Assuming full subscription.

PAYMENT METHOD OF THE ISSUE

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

WILFUL DEFAULTERS OR FRAUDULENT BORROWERS

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

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares have not been recommended or approved by Securities and Exchange Board of India ('SEBI') nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on Page 27 of this Draft Letter of Offer before investing in the 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, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered through this letter of offer to be listed on the BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) Our Company has received the approval letter dated [●] from BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) for using its name in the offer document for listing of our shares on the Platform of BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE)

REGISTRAR TO THE ISSUE

PURVA SHAREGISTRY (INDIA) PVT. LTD LIMITED

PurvaSharegistry (India) Pvt. Ltd. Unit no. 9 Shiv Shakti Ind. Estt.J .R. Borichamarg Lower Parel (E) Mumbai 400 011;
Tel: +91 22 4961 4132 ,91 22 3199 8810;
E-mail ID/Investor grievance e-mail: support@purvashare.com ;
Website: www.purvashare.com
Contact Person: Deepali Dhuri, Compliance Officer
SEBI Registration Number: INR000001112;
Validity: Permanent

ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
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*Eligible 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.

**This Issue will remain open for a minimum 07 (Seven) days. However, the Board of Directors 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 Closing Date).

Sunil
Bhandari

Digitally signed by
Sunil Bhandari
Date: 2024.02.27
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TABLE OF CONTENTS

TITLE	PAGE NO.
SECTION I – GENERAL	
Definitions And Abbreviations	4
Notice To Investors	17
Presentation Of Financial And Other Information	19
Forward Looking Statements	21
Summary Of Draft Letter of Offer	23
SECTION II – RISK FACTORS	27
SECTION III – INTRODUCTION	42
The Issue	42
General Information	44
Capital Structure	50
Objects Of the Issue	59
Statement Of Special Tax Benefits	66
SECTION IV – ABOUT OUR COMPANY	70
Industry Overview	70
Business Overview	76
Our Management	81
SECTION V – FINANCIAL INFORMATION	86
Financial Statements	86
Accounting Ratios	116
Management's Discussion and Analysis of Financial Condition and Results of Operations	118
SECTION VI – LEGAL AND OTHER INFORMATION	123
Key Industry Regulations and Policies	123
Outstanding Litigation and Defaults, And Material Developments	129
Government And Other Statutory Approvals	131
Other Regulatory and Statutory Disclosures	136
SECTION VII – ISSUE RELATED INFORMATION	140
Terms Of the Issue	140
Restrictions On Foreign Ownership of Indian Securities	175
SECTION VIII – OTHER INFORMATION	177
Material Contracts and Documents For Inspection	177
Declarations	179

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 that 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 Srestha Finvest Limited as the context requires, and references to ‘you’ are to the Eligible Shareholders and/ or prospective Investors in this Issue.

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 page 70, 66,86,129 and 140 respectively, shall have the meaning given to such terms in such sections.

CONVENTIONAL/ GENERAL TERMS

Term	Description
Srestha Finvest Limited / the Company/ our Company	Srestha Finvest 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 Srestha Finvest Limited
ASBA	Application Supported by Blocked Amount;
AoA/ Articles of Association	The Articles of Association of Srestha Finvest 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;
Audited Financial Statements	The audited financial statements of our Company prepared in accordance with Indian Accounting Standards for the Financial Years ending March 31, 2023;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company M/S Darpan& Associates Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Company Secretary and	The Company Secretary and Compliance Officer of our Company, being Mr. A.

Term	Description
Compliance Officer	Jithendra Kumar Bafna;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, being Mr Sunil Bhandari
Depositories Act	The Depositories Act, 1996 and amendments thereto;
DP/ Depository Participant	Depository Participant as defined under the Depositories Act;
Eligible Shareholder(s)	Eligible holder(s) of the Equity Shares of Srestha Finvest Limited as on the Record Date;
Equity Shares	Equity shares of the Company having face value of ₹ 2.00 (Rupee Two 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 81 of this Draft Letter of Offer;
ISIN	International Securities Identification Number being INE606K01023;
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 81 of this Draft Letter of Offer;
MoA/ Memorandum of Association	The Memorandum of Association of Srestha Finvest 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 Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013;
Promoters	NA.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) under the SEBI (LODR) Regulations;
Registered Office	Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, , Chennai, Tamil Nadu, 600003
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI (LODR) Regulations Section 178 of the Companies Act, 2013;

Term	Description
Stock Exchange/ Designated Stock Exchange	BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (“MSE”)
Unaudited Limited Review Financial Statements	The unaudited financial statements of our Company for the quarter ending December 31, 2023, prepared in accordance with Indian Accounting Standards.

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Right Shares	The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/Allotment/Allotted	Unless the context requires, the allotment of Right 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 Application amounts by ASBA 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 Advice	Note, advice, or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottees	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through (i) 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 (including online application form available for submission of application using 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

Term	Description
	of the Right Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount or ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
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 Shareholders, as the case may be;
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, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated September 31, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, and SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
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 into by and amongst our Company and the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 140 of this Draft Letter of Offer;
Common Application Form / CAF	The application form used by Investors to make an application for Allotment under the Issue
Consolidated certificate	The certificate that would be issued for Rights Shares Allotted to each folio in case of Eligible Shareholders who hold Equity Shares in physical form
Controlling Branches /Controlling Branches	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on

Term	Description
of the SCSBs	https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes;
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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;
Draft Letter of Offer/ DLoF	This draft letter of offer dated December 19, 2023, filed with BSE Limited ("BSE ") and Metropolitan Stock Exchange of India Limited (MSE) in accordance with the SEBI (ICDR) Regulations, for their observation and in-principle approval;
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e. [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the ASBA facility;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●];
Issue/ Rights Issue	<p>Rights Issue of up to [●] Equity Shares of our Company for cash at a price of ₹[●] (Rupees [●] Only) per Right Shares aggregating upto ₹49,00,00,000 (Rupees Forty Nine Crore Only) on a rights basis to the Eligible Shareholders of our Company in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. [●];</p> <p>On Application, Investors will have to pay entire amount of ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price;</p>
Issue Closing Date	[●]
Issue Material	Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter or any offering materials, corrigendum, or advertisements in connection with this Issue
Issue Opening Date	[●]

Term	Description
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their Applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹ [•] per Equity Share (including a premium of ₹ [•] per Equity Share)
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹ 49,00,00,000/- [Rupees Forty Nine Crore Only];
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE Limited (“BSE ”) and Metropolitan Stock Exchange of India Limited (MSE)after incorporating the BSE Limited (“BSE ”) and Metropolitan Stock Exchange of India Limited (MSE)observations received from the BSE Limited (“BSE ”) and Metropolitan Stock Exchange of India Limited (MSE)on the Draft Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ‘ <i>Objects of the Issue</i> ’ beginning on page 59 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 Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [•];
Payment Schedule	Payment schedule under which [•]% ([•] percent) of the Issue Price is payable on Application, i.e., ₹[•] (Rupees [•] Only) per Right Shares.
QIBs or Qualified	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR)

Term	Description
Institutional Buyers	Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being [●];
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable;
Refund Bank	The Bankers to the Issue with whom the refund account will be opened, in this case being [●]
Registrar to the Issue	Purva Shareregistry (India) Pvt. Ltd
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, including in relation to the ASBA facility;
Renouncees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible 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. [●];
Rights Entitlement (s)/ RES	<p>The number of Right 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;</p> <p>The Rights Entitlements with a separate ISIN '[●]' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders. The Rights Entitlements are also accessible through the ASBA and the link for the same will be available on the website of our Company;
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
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=3

Term	Description
	4 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time;
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 Fraudulent Borrower	A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any Company whose director or promoter is categorized as such, as defined under Regulation 2 (1) (III) of the SEBI (ICDR) Regulations;
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Indore 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 Indore are open for business. Furthermore, the time period between the Issue Closing Date and the listing of the Right Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI;

Technical and Industry Related Terms

TERM	DESCRIPTION
AFC	Asset Finance Company.
CIC-ND-SI	Systemically Important Core Investment Company.
CRAR or Capital to risk weighted assets	The ratio measures a bank's financial stability by measuring its available capital as a percentage of its risk-weighted credit exposure.
Commercial Banks	A bank that offers services to the general public and to companies.
Co-operatives	A business or organization that is owned and run by all of the people who work for it.
DCCBs	District Central co-operative Banks.
DFIs	Development Finance Institutions.
Gross non-performing assets or GNPA	Gross non-performing loans are the sum of all the loans that have been defaulted by the individuals who have acquired loans from the financial institution.
IBC	Insolvency and Bankruptcy Code.
IC	Investment Company.
IDF-NBFC	Infrastructure Debt Fund: Non- Banking Financial Company.
IFC	Infrastructure Finance Company.
Insurance Companies	A financial intermediaries which offer direct insurance or reinsurance services, providing financial protection from possible hazards in the future.
LC	Loan Company.

MCX	Multi Commodity Exchange of India Limited
MGC	Mortgage Guarantee Companies.
MSMEs	Micro, Small and Medium Enterprises.
MUDRA or Micro Units Development and Refinance Agency	MUDRA is a public sector financial institution in India. It provides loans at low rates to micro-finance institutions and non-banking financial institutions which then provide credit to MSMEs.
Mutual Funds	A mutual fund is a Company that brings together money from many people and invests it in stocks, bonds or other assets.
NBFC or Non-Banking Financial companies	The entities that provide certain bank-like financial services but do not hold a banking license. NBFCs are not subject to the banking regulations and oversight by federal and state authorities adhered to by traditional banks.
NCDEX	National Commodity & Derivatives Exchange Limited
NMCE	National Multi Commodity Exchange of India Limited
NOFHC	NBFC- Non-Operative Financial Holding Company.
NBFC-ND-SI	Systemically important non-deposit taking non-banking financial Company.
Net owned fund	Net Owned Funds means the aggregate of paid up equity share capital and free reserves as reduced by accumulated losses and intangible assets.
NSFR or net stable funding ratio	It is the amount of available stable funding relative to the amount of. required stable funding.
PACS	Primary Agricultural Credit Societies.
PCARDBs	Primary Co-Operative and Agricultural Rural Development Banks.
Pension funds	A fund from which pensions are paid, accumulated from contributions from employers, employees, or both.
Private sector banks or PVBs	Private sector banks are those in which private individuals or private corporations own a significant portion of the bank's equity.
PSBs or public sector banks	A public bank is a bank, a financial institution, in which a state, municipality, or public actors are the owners. It is an enterprise under government control.
RBI	Reserve Bank of India.
Return on assets or RoA	The term return on assets (ROA) refers to a financial ratio that indicates how profitable a Company is in relation to its total assets.
Return on equity or RoE	It is a measure of financial performance calculated by dividing net income byshareholders' equity.
RRBs	regional rural banks.
SCARDBs	State Co-Operative And Agricultural Rural Development Banks.

ABBREVIATIONS

Term	Description
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
CAF	Common Application Form

Term	Description
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013	Companies Act, 2013 along with rules made thereunder
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	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
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, including subsequent amendments thereto
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 amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary General Meeting
EEA	European Economic Area
EPC Services	Engineering, Procurement, and Construction services
EPS	Earning per Equity Share
FCNR Account	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder

Term	Description
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/ Financial Year	Period of 12 months ended March 31 of that particular year, unless otherwise stated
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
IST	Indian Standard Time
IT	Information Technology
MCA	The Ministry of Corporate Affairs, Government of India
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
NCT	National Capital Territory, Delhi

Term	Description
NCLT	National Company Law Tribunal
NCLAT	National Company Law Appellate Tribunal
NEFT	National Electronic Fund Transfer.
BSE	Bombay Stock Exchange of India
MSE	Metropolitan Stock Exchange of India (MSE)
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account, and debit or credit balance of the profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation
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
NRE	Account Non-resident external account
NRI	Non-resident Indian
NSDL	National Securities Depository 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
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 AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI (ICDR)	Securities and Exchange Board of India (Issue of Capital and Disclosure

Term	Description
Regulations	Requirements) Regulations, 2018 and amendments thereto
SEBI Rights Issue Circulars / SEBI Right IssueCirculars / SEBI Rights Issue Circular	SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and SEBI circular, bearing reference no. SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022.
SEBI (SAST) Regulations	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
Trade Mark Act	Trade Marks Act, 1999 and the rules thereunder, including subsequent amendments thereto
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

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Letter of Offer / Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges, subject to the applicable law.

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

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

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

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

PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

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 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 Letter of Offer / Abridged Letter of Offer and the enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this 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 St

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

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

Unless otherwise specified or the context otherwise requires, all references to “India” contained in this 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 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 Letter of Offer are in Indian Standard Time. Unless indicated otherwise, all references to a year in this 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 Letter of Offer are to the page numbers of this Letter of Offer.

FINANCIAL DATA

Unless stated or the context requires otherwise, our financial data included in this Letter of Offer is derived from the Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Financial Results for the nine months period ended December 31, 2023.

We have prepared our Audited Financial Statements of our Company as of and for the financial year ended March 31, 2023 and Unaudited Financial Results for the nine months period ended December 31, 2023 in accordance with Indian Accounting Standard (IndAS), Companies Act, and other applicable statutory and / or regulatory requirements. Our Company publishes its financial statements in Indian Rupees.

For details of the Audited Financial Statements for the financial year ended March 31, 2023 and the Unaudited Financial Results for the quarter ended December 31, 2023, please refer to the section titled “*Financial Statements*” beginning on page 86 of this Letter of Offer.

Our Company’s Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Draft Letter of Offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees, the official currency of the Republic of India.

All references to ‘U.S. \$’, ‘U.S. Dollar’, ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

Please Note:

One lakh is equal to 100 thousand;

One crore is equal to 10 million/100 lakhs;
One million is equal to 1,000,000/10 lakhs;
One billion is equal to 1,000 million/100 crores;

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout this Letter of Offer has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although our Company believes that industry data used in this Letter of Offer is reliable, it has not been independently verified.

The industry data used in this Letter of Offer has not been independently verified by our Company or any of their affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors and cannot be verified with certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

The extent to which market and industry data used in this Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 27 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

FORWARD LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions, that are ‘forward looking statements’.

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

1. Impact of the COVID-19 pandemic on our business, financial conditions and results of operations;
2. Any disruption in our sources of funding or increase in costs of funding;
3. Risk of non-payment or default by borrowers;
4. We are affected by volatility in interest rates, adversely affecting our net interest income;
5. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
6. Changes in laws and regulations relating to the sectors and industry in which we operate;
7. Increased competition in industries and sector in which we operate;
8. Factors affecting the industry in which we operate;
9. Our failure to keep pace with rapid changes in technology;
10. 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;
11. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
12. Any adverse outcome in the legal proceedings in which our Company is involved;
13. Other factors beyond our control;
14. Our ability to manage risks that arise from these factors;
15. Changes in Government policies and Regulatory actions that apply to or affect our business;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties; and

17. The performance of the financial markets in India and globally.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled '**Risk Factors**' beginning on page 27 of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially differ from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited ("MSE")

SECTION II – SUMMARY OF THE 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’***, ***‘Business Overview’*** and ***‘Outstanding Litigations, Defaults and Material Developments’*** beginning on pages 27, 59, 76, and 129 of this Draft Letter of Offer, respectively.

SUMMARY OF OUR BUSINESS

Our Company was originally incorporated on July, 22, 1985 as ‘M.S. Investments Private Limited’ as a private limited company under the provisions of the Companies Act, 1956, in the State of Tamil Nadu. Thereafter, our Company was converted into a public limited company and a Certificate of Incorporation consequent upon conversion to public limited company was issued on June 23, 1994 by the Registrar of Companies, Tamil Nadu. . Further, the name of our Company was changed to ‘M.S Investments Limited’ to Srestha Finvest Limited as per the provision of the Companies Act, 2013 as on October 16, 2015 the Registrar of Companies, Chennai The Corporate Identification Number of Our Company is L01100MP2016PLC041592..

Our Company is listed on the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) effective from July 16, 2015 and effective from November 03, 2014 respectively, bearing Symbol ‘SRESTHA’. The ISIN of our company is INE606K01023. And the Scrip code is 539217

We are currently engaged in the business of lending money against securities, movable and immovable properties, finance, hire purchase, and leasing. Srestha Finvest also focuses on investment and trading in to stocks and shares. Our Lending Business segment aims to provide specialized and holistic solutions to Indian corporate and personal private parties helping them build and grow their businesses. We focus on products in the structured credit space backed by decent cash flows to build a secured and quality wholesale lending portfolio. Under the Wholesale Lending Business, we provide credit solutions for situations like initial funding requirements of a project, mezzanine financing, acquisition financing, project financing, bridge financing, promoter funding, short term and long term working capital requirements, personal finance etc.

SUMMARY OF OUR INDUSTRY

NBFCs encompass a heterogeneous group of intermediaries and provide a whole range of financial services. Though heterogeneous, NBFCs can be broadly classified into three categories, viz., asset finance companies (such as equipment leasing and hire purchase), loan companies and investment companies. A separate category of NBFCs, called the residuary non-banking companies (RNBCs), also exists as it has not been categorized into any one of the above referred three categories. Besides, there are miscellaneous non-banking companies (Chit Fund), mutual benefit financial companies (Nidhis and unnotified Nidhis) and housing finance companies. The number of NBFCs operating in the country was 51,929 in 1996. Following the amendments to the provisions contained in Chapter III-B and Chapter III-C of the Reserve Bank of India Act, NBFCs both, deposit taking and non deposit taking, are required to compulsorily register with the Reserve Bank. One of the conditions for registration for NBFCs was a minimum net owned fund (NOF) of Rs.25 lakh at the entry point. This limit was subsequently enhanced to Rs.2 crore for new NBFCs seeking grant of Certificate of Registration on or after April 21, 1999. The Reserve Bank received 38,244 applications for grant of certificate of registration (CoR) as NBFCs till end-March 2006. Of these, the Reserve Bank approved 13,141 applications, including 423 applications of companies authorised to accept/hold public deposits. Due to consolidation in the sector, the number of NBFCs declined to 13,014 by end-June 2006.

OBJECTS OF THE ISSUE

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

Particulars	Amount(In lakhs)
Gross Proceeds from the Issue#*	4900.00
Less: Estimated Issue related Expenses	120.00
Net Proceeds from the Issue	4780.00

assuming full subscription and allotment

*The Issue size will not exceed ₹49,00,00,000. (Rupees Forty-NineCrore 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 [●]

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

Sr. No.	Particulars	Amount (In lakhs)
1.	Working Capital requirements	4000.00
2.	General Corporate purposes#	780.00
	Total Net Proceeds	4780.00

To be finalized on determination of the Issue Price and updated in the Letter of Offer prior to filing with the Stock Exchanges. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please refer to the chapter titled '*Objects of the Issue*' beginning on page 59 of this Draft Letter of Offer.

FINANCIAL INFORMATION

The following table sets forth the summary financial information derived from the Audited Financial Statements, for Financial Years ended March 31, 2023 and March 31, 2022 and quarter ended December 31,2023 prepared in accordance with Ind (AS) and the Companies Act, 2013.

(In ₹)

Particulars	Financial Statements for the Financial Year ending		
	December 31,2023	March 31, 2023	March 31, 2022
Equity Share Capital	1,16,00,00,000	66,00,00,000	16,50,00,000
Net Worth	1,20,08,79,662	61,32,59,000	16,75,72,000
Total Income	7,80,70,775	2,74,71,000	2,30,55,000
Profit / (loss) after tax	(3,31,99,634)	(4,97,41,000)	(4,05,000)
Basic and diluted EPS	(0.057) & (0.057)	(0.603) & (0.151)	(0.005) & (0.005)
Total borrowings	59,70,62,719	29,96,82,106	8,90,69,282

Qualifications of the Auditors

There are qualifications, reservations and adverse remarks made by our Statutory Auditors in their report which requires any adjustment to audited financial statements of the Company please refer Financial Statement on page no. 86

Summary of Contingent Liabilities

For details regarding our contingent liabilities for FY 2023 and FY 2022 refer Financial Statement.

OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (₹)
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities	NIL	NIL
Litigation involving Tax Liabilities	NIL	NIL
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	NIL	NIL
Proceedings involving Material Violations of Statutory Regulations by our Company	NIL	NIL
Matters involving economic offences where proceedings have been initiated against our Company	NIL	NIL
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	NIL	NIL
Litigation involving our Directors, Promoters and Promoter Group	NIL	NIL
Litigation involving our Group Companies	NIL	NIL

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on page 129 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 27 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 Statements'*** beginning on page 86 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 Statements'*** beginning on page 86 of this Draft Letter of Offer.

FINANCING ARRANGEMENTS

There are no financing arrangements wherein the the Directors of our Company and their relatives, have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of the 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.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the “Financial Statements” on page 86 before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with “Our Business”, “Industry Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 76, 70 and 118, respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see “Forward Looking Statements” on page 21.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements included in this Letter of Offer. For further information, see “Financial Statements” on page 86. In this section, unless the context otherwise requires, a reference to “our Company” on a standalone basis.

INTERNAL RISK FACTORS

1. We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business..

We operate in a highly competitive industry. Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance affiliates of players in various industries, small finance banks and other NBFCs who are active in SME, retail and individual lending. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographical reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in our industry depends on, amongst others, the ongoing evolution of government and regulatory policies, the entry of new participants and the extent to which there is consolidation among banks and financial institutions in India.

In relation to the advisory and investment banking services we offer, we also face competition from banks, boutique investment bankers and consulting organizations. Potentially, these service providers could compete with us for

business as well as procurement of funds at competitive rates. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in our increasingly competitive industry and our inability to compete effectively may adversely affect our business.

2. Any disruption in our sources of funding or increase in costs of funding could adversely affect our liquidity and financial condition.

The liquidity and profitability of our business majorly depend on our timely access to, and the costs associated with, raising funds. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including

our current and future results of operations and financial condition, global and local macroeconomic conditions and the effect of events such as the COVID-19 pandemic, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income, and market share may be adversely affected.

Certain regulatory developments including the restrictions imposed on NBFCs by the RBI through a Master Circular – Bank Finance to Non- Banking Financial Companies dated July 1, 2015 (the “Master Circular”) may restrict our ability to obtain bank financing for specific activities. Pursuant to the Master Circular, the RBI has imposed certain restrictions on banks providing financing to NBFCs. Under this Master Circular, certain activities by NBFCs are ineligible for financing by banks, including certain types of discounting and rediscounting of bills, current and long term investments in shares, debentures, loans and advances by NBFCs to their subsidiaries and group companies, lending by NBFCs to individuals for subscribing to public offerings and purchasing shares from the secondary market, unsecured loans, inter-corporate deposits provided by NBFCs, and subscription to shares or debentures by NBFCs. In addition, the Master Circular prohibits:

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;
- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-Company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, or at all, which could adversely affect our liquidity and financial condition.

3. We are affected by volatility in interest rates for both our lending and fund raisings operations, which could cause our net interest income to decline and adversely affect our results of operations and profitability.

Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on

our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

4. The objects of the Issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results.

The funds raised under this Issue will be used to augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities. The objects of the Issue are based on management estimates and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the issue proceeds could adversely affect our financial results. Utilization of Issue proceeds would be disclosed to our Company's shareholders in the manner required under the SEBI LODR Regulations. For further details, please refer to the section titled "Objects of the Issue" on page no. 59 of this Draft Letter of Offer

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

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations and permissions must be maintained / renewed over time and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change from time. We are required to obtain and maintain a license for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

6. Our success depends largely on our senior management and our ability to attract and retain our key personnel. Any significant changes in the key managerial personnel, may affect the performance of our Company.

Our success depends on the continued services and performance of the members of the senior management team and other key employees. Competition for senior and experienced personnel in the industry is intense at present. The loss of the services of senior management or other key personnel could seriously impair our ability to continue to manage and expand our business, which may adversely affect our financial condition.

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

Our Company has experienced negative cash flows, the details of which are summarized below:

(Amount in ₹ Lakhs)

Particulars	For the Financial Year ended March 31, 2023	For the Financial Year ended March 31, 2022
Net Cash from operating activities	(4238.34)	(262.49)

Net cash used in investing activities	(622.75)	0.15
Net cash used in Financing Activities	4950.00	-

Any negative cash flows in future could adversely affect our Company's results of operation and financial condition. For further details please see the section titled "Financial Information" on page no 86 of this Draft Letter of Offer.

8. If we do not successfully identify, monitor, and manage risks, as well as effectively apply our risk management policies, our business, financial condition, results of operations, and cash flows could suffer materially.

We have a robust risk management policy. However, our rules and procedures for identifying, monitoring, and managing risks cannot be guaranteed to be completely effective. Some of our risk management strategies are not automated and may be susceptible to human error, and some are based on previous market behavior. As a result, these methodologies may be unable to effectively anticipate future risk exposures, which may be much bigger than those predicted by historical metrics.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. If we fail to effectively implement our risk management policies, it could adversely affect our business, financial condition, results of operations and cash flows.

9. Our Company is subject to periodic inspections by the RBI. Non-compliance with observations made during any such inspections could result in penalties and fines on our Company and/or our Subsidiary and could adversely affect the reputation of the business of our Company and/or our Subsidiary.

Our Company is subject to periodic inspections by the RBI of our Company's books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which our Company have failed to furnish when called upon to do so.

The RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position every year under Section 45N of the RBI Act. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions and NBFCs. While no show cause notices have been issued against us by the RBI and SEBI in the past. We cannot assure you that there will be no adverse findings by the SEBI or the RBI in future inspections and that such findings will not have a material adverse effect on our reputation and business.

10. Any regulatory actions and penalties for any past or future non-compliance may adversely affect our business or reputation, or both.

We have to comply with numerous regulatory filings, maintenance of record etc under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 ("Listing Regulation"), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. We may have failed to comply or maintain certain record as per the applicable law (except compliance of Listing Regulation for preceding one year from the date of filing of Draft Letter of Offer where the Company had duly filed the required documents with Designated Stock Exchange). If any Regulatory come across the non-compliance of the applicable laws they may impose the penalty on the Company. Such penalty may impact the profitability of the Company.

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

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue,. For further details, please refer to the section titled 'Objects of the Issue' on page 59 of this Draft Letter of Offer.

12. We may have challenges extending our business into new regions and markets both inside and outside of India.

We continue to investigate potential to expand our business into new markets in India as part of our growth strategy. In these new areas, factors such as competition, consumer requirements, regulatory regimes, business practices, and customs may differ from those in our present markets, and our prior market experience may not be applicable to these new markets. A number of Indian states, for example, have passed legislation to control money lending transactions. These statutes set a maximum interest rate that can be levied. Whether NBFCs are compelled to follow the provisions of various state money lending legislation is unclear. Noncompliance with the appropriate money lending statutes carries significant civil and criminal penalties. If it is judicially determined or clarified in law that such statutes apply to NBFCs, our expansion in such states could be hindered.

13. Our borrowers may transfer loan balances to other banks or financial institutions, resulting in a loss of expected interest income expected from such loans.

If interest rates rise, borrowers with variable interest rates on their loans are exposed to increased equated monthly instalments ("EMIs") when the loans' interest rate adjusts upward. Such borrowers may seek to refinance their loans through balance transfer to other banks and financial institutions to avoid increased EMIs that result from an upwards adjustment of the loans' interest rate. Even if interest rates do not increase, our borrowers may seek to transfer loans to banks or other financial institutions that offer lower interest rates. Loan balance transfers result in a loss of interest income expected from such loans over the course of their tenure. All NBFCs and HFCs are prohibited from charging pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers. Even where we are allowed to charge a prepayment penalty, the amount of such penalty will not make up for all of the loss of interest income expected from such loans. Some of our borrowers may be able to find balance transfer options at comparably lower interest rates or other financing alternatives, which could have an adverse effect on our business, results of operations and financial condition.

14. Internal or external fraud, dishonesty, or misconduct by our personnel could have a negative impact on our reputation and financial results.

In cases where customers repay their loans in cash directly to us, we are exposed to the risk of fraud, misappropriation or unauthorised transactions by employees responsible for dealing with such cash collections. While we have procured insurance for cash in safes and in transit and have put in place systems to detect and prevent any unauthorised transaction, fraud or misappropriation by our employees, these measures may not be effective in all cases. In the past, we have been subject to acts of fraud and theft committed by our employees of a non-material nature. However, the amount of fraud was nil in both Fiscals 2022 and 2021. There can be no

assurance that such events will not recur in the future. Further, we may be subject to regulatory or other proceedings in connection with any unauthorised transaction, fraud or misappropriation by our employees, which could adversely affect our reputation and goodwill.

Misconduct by our employees could bind us to transactions that exceed authorised limits or present unacceptable risks, and our employees could conceal unauthorised or unlawful activities from us. Employee misconduct could also involve front running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm. Any adverse action by SEBI against us could have a material adverse effect on our business and reputation.

It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition.

14. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The World Health Organization declared the 2019 novel coronavirus (“COVID-19”) outbreak a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. Governments and municipalities around the world instituted measures to control the spread of COVID- 19, including quarantines, shelter-in-place orders, closure of schools, travel restrictions, and closure of non-essential businesses. The COVID-19 pandemic has caused an economic downturn on a global scale, including closure of many businesses and reduced consumer spending, as well as significant market disruption and volatility. A number of governments and organizations have revised GDP growth forecasts for calendar year 2020 downward in response to the economic slowdown caused by the spread of COVID-19.

The Government of India initially announced a 21-day country-wide lockdown starting on March 25, 2020, which was further extended in several phases with certain modifications and relaxations, till date, and there can be no assurance that such lockdowns will not be extended further on one or more occasions. Financial markets were volatile during the Financial Year 2020 due to domestic economic slowdown, concerns on fiscal slippage and geopolitical tensions. Weaknesses in overall economic activity also put pressure on business growth of lenders including NBFCs. The spread of COVID-19 in March 2020, further increased the uncertainties for the financial services sector. While various parts of the world, including India, have commenced calibrated easing of lockdown measures, the effects of the eventual outcome remain uncertain and contingent on the future path of the pandemic and the effectiveness of the measures to counter it.

The impact of the pandemic on our business, operations and future financial performance includes, but are not limited to:

- Non-payment or defaults by customers: Due to economic slowdown caused by the COVID-19, there could be delays and defaults associated with repayment of advance from customers which may adversely affect our cash flows. Additionally, the lockdown also resulted in a slowdown of initiation of insolvency proceedings by us against defaulted customers which affected our recovery from such customers.
- Security: There was an increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware, and impersonation tactics, resulting from the increase in numbers of individuals working from home.
- Productivity: Inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home may affect our business and results of operations.

15. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants in our financing arrangements.

Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate.

16. We may be subject to intellectual property disputes, which are costly to defend and could affect our business and operating results.

We may, in the future, face allegations that we have infringed the trademarks, copyrights, patents or other intellectual property rights of third parties, including from our competitors or non-practicing entities, for passing off. Our name and trademarks are significant to our business and operations. We believe that several of our trade names have significant brand recognition in their respective industries. Any adverse decision by the adjudicating authority may prevent us from registering and using such trademarks.

Further, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop offering certain products or product features, acquire licenses, which may not be available at a commercially reasonable price or at all, or modify our products, product features, processes or websites while we develop non-infringing substitutes.

17. Your holdings may be diluted by additional issuances of equity by us, which may adversely affect the market price of our Equity Shares.

Any future issuance of our Equity Shares may dilute the holdings of investors in our Equity Shares, which could adversely affect the market price of our Equity Shares. Additionally, sales of a large number of our Equity Shares by our principal shareholder could adversely affect the market price of our Equity Shares. The perception that any such sale may occur could also adversely affect the market price of our Equity Shares.

18. We are subject to cyber security risks and security breaches and may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.

A number of other companies have disclosed cyber-attacks and security breaches, some of which have involved intentional attacks. Attacks may be targeted at us, our customers, or both. Although we devote significant resources to maintain and regularly upgrade our systems and processes that are designed to protect the security of our computer systems, software, networks and other technology assets and the confidentiality, integrity and availability of information belonging to us and our customers, our security measures may not provide absolute security. Despite our efforts to ensure the integrity of our systems, it is possible that we may not be able to anticipate or to implement effective preventive measures against all security breaches of these types, especially because the techniques used change frequently or are not recognized until launched, and because cyber-attacks can originate from a wide variety of sources, including third parties outside the Company such as persons who are involved with organized crime or associated with external service providers or who may be linked to terrorist organizations or hostile foreign governments.

A successful penetration or circumvention of the security of our systems could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our customers, or damage to our computers or systems or those of our customers and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, significant litigation exposure, and affect to our reputation, all of which could have a material adverse effect on us.

Our servers are also vulnerable to computer viruses, physical or electronic break-ins, and similar disruptions. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. Security breaches, including any breach of our systems or by persons with whom we have commercial relationships that result in the unauthorized release of customers' or businesses' personal information, could damage our reputation and expose us to a risk of loss or litigation and possible liability.

19. Security breaches of customers' confidential information that we store may harm our reputation and expose us to liability.

We store customers' bank information, credit information and other sensitive data. Any accidental or willful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to customer data, our relationships with customers will be severely damaged, and we could incur significant liability. Further, we engage with certain third-party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws.

20. If any new financing products we launch are unsuccessful, it could affect our reputation and adversely affect our results of operations.

As part of our growth strategy, we may from time to time introduce new project or business finance products. We may incur substantial costs in the future in connection with the expansion of our financing product portfolio and there can be no assurance that such new products will be successful once they are offered. In the event that such new products are not commercially successful or provide the return on investment expected, we may lose any or all of the investments that we have made in developing and promoting such products, and, consequently, our reputation and results of operations may be adversely affected.

21. For credit evaluation and risk management, we rely on the accuracy and completeness of information concerning borrowers and counterparties. Any misrepresentation, inaccuracies, or omissions in such material could have a negative impact on our business and financial results.

We rely on information provided to us by or on behalf of borrowers when evaluating whether to provide credit or engage in other transactions with clients (including in relation to their financial transactions and past credit history). We may also depend on borrowers' assurances about the accuracy and completeness of the information. For ascertaining the creditworthiness and encumbrances on collateral, we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation on the part of our customers or employees. In addition, customers may misrepresent information in the loan application forms including in relation to the intended end use of the loans and may apply the loans disbursed for end users different from those mentioned in the loan application form. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

There may be relatively less financial and credit information available on retail and rural individual borrowers, micro, small and medium enterprises and in relation to the possibility of double-financing obtained by any such clients, than may have been available in a more developed economy, and the availability of such financial and credit information in India may be considered to suffer from an absence of competitive pressure at present.

22. Any failure or severe weakness in our internal controls system could result in operational errors or fraud, affecting our profitability and reputation materially and negatively.

We have appropriate internal controls that are commensurate with the size and complexity of our operations. Our internal control procedures are equipped to conduct continuing assessments of the sufficiency and effectiveness of internal controls to ensure that business units follow our internal risk policies, compliance requirements, and internal circular guidelines. While we test and update our internal controls systems on a regular basis, we are nevertheless susceptible to operational risks deriving from the potential inadequacy or failure of internal processes or systems, and our measures may not be enough to ensure effective internal controls in all instances.

Our management information systems and internal control procedures for monitoring our operations and overall compliance may not catch every instance of non-compliance or suspicious transaction. If internal control deficiencies are discovered, our actions may not be sufficient to remedy the situation. We encounter operational risks and there may be losses as a result of internal control system failures or shortcomings. Deal errors, pricing problems, erroneous financial reporting, fraud, and the loss of essential systems and infrastructure may all result from failures in our internal controls systems. Such incidents may have a negative impact on our reputation, business, and operational outcomes. Internal control failures or material deficiencies can also lead to fraud situations. There can also be no assurance that we would be able to prevent frauds in the future or that our existing internal mechanisms to detect or prevent fraud will be sufficient. Any fraud discovered in the future may have an adverse effect on our reputation, business, results of operations and financial condition.

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

We keep insurance coverage that we believe is sufficient for our activities. Our insurance policies, on the other hand, may not provide appropriate coverage in some situations and are subject to deductibles, exclusions, and policy limits. We cannot, however, guarantee that the terms of our insurance policies will be adequate to cover any damage or loss we incur, that such coverage will continue to be available on reasonable terms or in sufficient amounts to cover one or more large claims, or that the insurer will not deny coverage for any future claim.

24. Our inability to completely and timely detect money laundering and other illicit actions may expose us to extra responsibility and affect our business and reputation.

In India, we must follow all applicable anti-money laundering ("AML") and anti-terrorism laws and regulations. We bear the risk of failing to follow the statutory know your customer ("KYC") requirements, as well as fraud and money laundering by dishonest customers, in the ordinary course of our business. Despite having internal rules, processes, and controls in place to prevent and identify any AML activity and maintain KYC compliance, we cannot guarantee that we will be able to entirely manage instances of any possible or attempted violation. Any failure or ineffectiveness of our control system to detect such activities completely and immediately may subject us to regulatory action, including fines and penalties, and have a negative impact on our business and reputation.

25. As we expand our lending business, we may encounter asset-liability mismatches, which might negatively impact our cash flows, financial condition, and results of operations.

As we expand our lending operations, we may encounter liquidity concerns due to mismatches in the maturity of our assets and obligations. If we are unable to obtain additional borrowings or renew our existing credit facilities in a timely and cost-effective manner, or at all, for matching tenures of our loan portfolio, it may result in mismatches between our assets and liabilities, which could harm our cash flows, financial condition, and results of operations.

26. Failure to stay up with technological changes, as well as the uses and regulation of the internet, might be detrimental to our Company.

The industry of delivering finance products and services via a mobile app or the internet is dynamic and fresh. We must keep up with changing technical breakthroughs, customer and small Company usage habits, internet security threats, system failure or inadequacy hazards, and governmental regulation and taxation, all of which could have a negative influence on our firm.

27. If we are unable to adequately react to such developments, decreased demand for loans as a result of higher savings or income could result in a loss of revenues or a fall in profitability.

The demand for loan products in the markets we serve could fall as a result of a variety of factors, including regulatory restrictions that limit customer access to specific products, the availability of competing or alternative products, or changes in customers' financial circumstances, such as increases in income or savings. A shift in focus from borrowing to saving would also lessen demand. Our revenues could be severely reduced if we fail to adjust to a significant change in our clients' desire for, or access to, our financing products. Customers may refuse or reject products whose changes make them less appealing or less available, even if we make adjustments or launch new products to meet customer demand.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled 'Our Industry' beginning on page 70 of this Draft Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context

ISSUE SPECIFIC FACTORS

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible 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.

2. *The Rights Entitlement of Physical Shareholders may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI Circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13' dated January 22, 2020, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least 1 (One) day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated September 03, 2018 issued by the SEBI, with effect from April 01, 2019, a transfer

of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

3. ***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 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 140 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 [●]) opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

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

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

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

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act

has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on September 10, 2019 and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

5. *Investors will be subject to market risks until our Equity Shares credited to the investor's demat account are listed and permitted to trade.*

Investors can start trading our Equity Shares Allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since our Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for our Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that our Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in such Equity Shares will commence in a timely manner.

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

In accordance with Indian law and practice, final approval for listing and trading of the Equity Shares will not be granted by BSE Limited ("BSE ") and Metropolitan Stock Exchange of India Limited (MSE) until after those Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on BSE Limited ("BSE ") and Metropolitan Stock Exchange of India Limited (MSE)

Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares. Further, historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at that point of time.

7. *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.

8. *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.

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

In terms of the SEBI ICDR Regulations, the 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 Rights Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under 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 Rights 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 our 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 the Rights 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 unrealised loss as a result. We may complete the Allotment even if such events may limit the Applicant's ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

10. *Any future issue of Equity Shares may dilute your shareholding and sales of our Equity Shares by or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issues by us, including in a primary offering, may lead to the dilution of investors' shareholdings in us. Any future equity issuances by us or sales of its Equity Shares by the major shareholder may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

11. *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.

12. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

Following the Issue, we will be subject to a daily "circuit breaker" imposed by BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE), which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on our circuit

breakers will be set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) may not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance can be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

Furthermore, prior trading prices may not be indicative of future trading values for the Rights Equity Shares. A stock exchange may halt secondary market trading in our Equity Shares due to market conditions or other reasons. Furthermore, an exchange or market may close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, all of which may have an adverse impact on our Shareholders' ability to sell their Equity Shares or the price at which Shareholders may be able to sell their Equity Shares at any given time.

EXTERNAL RISK FACTORS

1. Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations, cash flows and financial condition.

India is our key market. For Fiscal 2023, entire of our Company's revenue from operations was from India. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations, cash flows and financial condition.

2. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.

Our business is subject to various laws and regulations, which are evolving and subject to change. We are also subject to corporate, taxation and other laws in effect in India, which require continued monitoring and compliance. These laws and regulations and the way in which they are implemented and enforced may change. There can be no assurance that future legislative or regulatory changes will not have any adverse effect on our business, results of operations, cash flows and financial condition.

3. Natural disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.

Natural disasters (such as typhoons, flooding and earthquakes), epidemics, pandemics such as , acts of war, terrorist attacks and other events, many of which are beyond our control, may lead to economic instability, including in India, or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our property or inventory and generally reduce our productivity and may require us to evacuate personnel and suspend operations.

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

Our financial statements for Fiscals 2019, 2018 and 2017 included in this offer documents are prepared and presented in conformity with Indian GAAP and restated in accordance with the requirements the SEBI (ICDR) Regulations and the Guidance Note on “Reports in Company Offer Documents (Revised 2016)” issued by the ICAI. Ind AS differs from Indian GAAP and other accounting principles with which prospective investors may be familiar

in other countries, such as IFRS and U.S. GAAP. Accordingly, the degree to which the Financial Statements included in this Offer Documents will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on December 19, 2023, in pursuance of Section 62 of the Companies Act, 2013 and other applicable provisions. The terms of the Issue including the Record Date and Rights Entitlement Ratio have been determined by Rights Issue Committee formed by the Board of Directors at their meeting held on [●].

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in ***‘Terms of the Issue’*** on page 140 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	58,00,00,000 Equity Shares;
Right Shares offered in the Issue	Up to [●] Right Shares;*
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares;
Rights Entitlement	[●] Equity Shares for every [●] Equity Shares held on the Record Date;
Record Date	[●]
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
Face Value per Equity Share	₹ 2.00/- (Rupee Two Only) each;
Issue Price per Equity Share	₹[●]/- (Rupees [●] Only) including a premium of ₹[●]/- (Rupees [●] Only) per Rights Equity Share
Issue Size	Up to ₹49,00,00,000. (Rupees Forty Nine Crore Only)
Terms of the Issue	Please refer to the section titled <i>‘Terms of the Issue’</i> beginning on page 140 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled <i>‘Objects of the Issue’</i> beginning on page 59 of this Draft Letter of Offer.
Security Code/ Scrip Details	ISIN: INE606K01023; Scrip ID: SRESTHA Scrip Code::539217 ISIN for Rights Entitlements: [●]

**For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Equity Share each, if such Eligible Shareholders have applied for additional Right Shares over and above their Rights Entitlements;*

TERMS OF PAYMENT

The entire amount of the Issue Price of [●] per Rights Equity Share shall be payable at the time of Application.

ISSUE SCHEDULE

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

GENERAL INFORMATION

Our Company was originally incorporated on July, 22, 1985 as 'M.S. Investments Private Limited' as a private limited company under the provisions of the Companies Act, 1956, in the State of Tamil Nadu. Thereafter, our Company was converted into a public limited company and a Certificate of Incorporation consequent upon conversion to public limited company was issued on June 23, 1994 by the Registrar of Companies, Tamil Nadu. . Further, the name of our Company was changed to 'M.S Investments Limited' to Srestha Finvest Limited as per the provision of the Companies Act, 2013 as on October 16, 2015 the Registrar of Companies, Chennai. The Corporate Identification Number of Our Company is L01100MP2016PLC041592.

Registered Office: Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, , Chennai, Tamil Nadu, 600003

Tel: +91 22 2898 0308; Website: www.srestha.co.in, E-mail: srestha.info@gmail.com

Contact Person: A. Jithendra Kumar Bafna, Company Secretary and Compliance Officer

Our Company is listed on the BSE Limited (BSE) effective from 16-07-2015 bearing Symbol 'SRESTHA' and Listed on metropolitan stock exchange of India, effective from November 03, 2014 bearing Symbol' SRESTHA'

The ISIN of our company is INE606K01023

We are currently engaged in the business of lending money against securities, movable and immovable properties, finance, hire purchase, and leasing. SresthaFinvest also focuses on investment and trading in to stocks and shares. Our Lending Business segment aims to provide specialized and holistic solutions to Indian corporates and personal private parties helping them build and grow their businesses. We focus on products in the structured credit space backed by decent cash flows to build a secured and quality wholesale lending portfolio. Under the Wholesale Lending Business, we provide credit solutions for situations like initial funding requirements of a project, mezzanine financing, acquisition financing, project financing, bridge financing, promoter funding, short term and long term working capital requirements, personal finance etc.

REGISTERED OFFICE AND CORPORATE OFFICE OF OUR COMPANY

Company	Srestha Finvest Limited;
Registered Office Address	Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, , Chennai, Tamil Nadu, 600003
Contact Details	+91 22 2898 0308
Email-ID	srestha.info@gmail.com
Website	www.srestha.co.in
Corporate Identification Number	L65993TN1985PLC012047
Registration Number	012047

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies, Mumbai,

Registrar Of Companies, Block No.6,B Wing 2nd Floor, ShastriBhawan 26,
Haddows Road, Chennai - 600034

BOARD OF DIRECTORS

Name	Designation	DIN	Address
Sitaben S Patel	Non-Executive Director Independent Director	02470150	6, Tulsi Nagar, Mahila College Road, Unjha, UnjhaMahesana, Unjha Gujarat India 384170
Mayurdwajsinh Sahadevsinh Rana	Non-Executive - Non Independent Director	09234993	Sauka Surendranagar Gujarat India 363421
Umeshbhai Hirjibhai Padariya	Non- ExecutiveIndependent Director	06826543	Nr. Shankar Mandir, Kanbivad, Navagadh, Taluka - Jetpur, Dist - Rajkot, Rajkot Gujarat India 360375
Sahadevsinh Babubha Rana	Non-Executive - Non Independent Director	09269488	Sauka Surendranagar Gujarat India 363421
Sunil Bhandari	Executive Director	03120545	B-301, Wembley Estate, Opp. Rosewood City Sector - 49/50 Gurgaon Haryana-HR 122018

For further details of our Board of Directors, please refer to the section titled **‘Our Management’** beginning on page 81 of this Draft Letter of Offer.

Company Secretary	Chief Financial Officer
Mr. A. Jithendra Kumar Bafna Address: B-702, Divine Jalpa, Gomati Bhuvan, Near Jain Temple, JambliGali, Borivali (West), Mumbai - 400092, Maharashtra, India Contact Details: +91 22 2898 0308; Email-ID: srestha.info@gmail.com	Mr. Sunil Bhandari Address: B-301, Wembley Estate, Opp. Rosewood City Sector - 49/50 Gurgaon Haryana-HR 122018 Contact Details: + 9711836000; Email-ID: sbhandari.indore@gmail.com
Registrar to the Issue/ Registrar and Share Transfer Agent	Banker to our Company
PurvaShareregistry (India) Private Limited Address : 9, Shiv Shakti Industrial Estate, J. R. BorichaMarg, Opp. Kasturba Hospital Lane Lower Parel (E),	Au Small Finance Bank Limited Address: Ground floor 5,6,7 Ninex City Mart, Sector 49, Sohna Road, Gurgaon E-mail ID: customercare@aubank.in

<p>Mumbai – 400011, Maharashtra</p> <p>Contact Details:+91 22 2301 2518 / 8261; E-mail ID/ Investor grievance e-mail:support@purvashare.com Website:www.purvashare.com Contact Person:DeepaliDhuri, Compliance Officer; SEBI Registration Number:INR000001112; Validity: Permanent</p>	<p>Contact Details:1800 1200 1200</p>
<p>Bank to the Issue Kotak Mahindra Bank Limited</p> <p>Address: Kotak Infiniti, 6th Floor, Building No. 21, Infinity Park, Off Western Express Highway General AK Vaidya Marg, Malad (East), Mumbai – 400 097 Maharashtra, India.</p> <p>Contact Person: Kushal Patankar; E-mail ID: cmsipo@kotak.com; Contact Details: 022-66056588; Fax Number: 022-67132416; Website: www.kotak.com; SEBI Registration Number: INBI00000927; CIN: L65110MH1985PLC038137</p>	
<p>STATUTORY & PEER REVIEW AUDITOR</p>	
<p>M/s Darpan& Associates, Chartered Accountants Address : 11/2, Shyam Avenue, College Road Nungambakkam, Chennai,Tamil Nadu-Tn Tamil Nadu-Tn Contact Details: 9860684800 Email id :darpannassociates@gmail.com Contact name : Darpan Kumar Membership.no; 235817 Firm Regn No: 016156S</p>	

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Srestha Finvest Limited will be responsible for all the responsibilities related to co-ordination and other activities in relation to this Issue. Hence a statement of inter-se allocation of responsibilities is not required.

SELF-CERTIFIED SYNDICATE BANKS

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

CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Registrar or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights 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 the section titled '*Terms of the Issue*' beginning on page 140 of this Draft Letter of Offer.

EXPERT

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

Our Company has received a written consent from our Statutory Auditors, Darpan& Associates, Chartered Accountants, to include their name in this Draft Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, 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 A, 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 the SCSBs for the ASBA process is provided on the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

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

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

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

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are 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 140 of this 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 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 140 of this Letter of Offer.

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

CREDIT RATING

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

DEBENTURE TRUSTEE

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

MONITORING AGENCY

Since the Issue size does not exceed ₹ 100 crore, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulations.

APPRAISING ENTITY

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

UNDERWRITING

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

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold of filing of Draft Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI (ICDR) Regulations has been increased from ₹10,00,00,000.00/- (Rupees Ten Crores Only) to ₹50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls below this threshold, the Draft Letter of Offer has been filed with the BSE Limited ("BSE ") and Metropolitan Stock Exchange of India Limited (MSE) and not with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the BSE Limited ("BSE ") and Metropolitan Stock Exchange of India Limited (MSE)

MINIMUM SUBSCRIPTION

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:

1. Objects of the issue being other than working capital; and

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:

Particulars	Aggregate Nominal Value in Rs.	Aggregate Value at Issue Price
Authorized Equity Share capital		
83,50,00,000 (Eight Three Crore Fifty Lakh Rupees) Equity Shares	1,67,00,00,000/-	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
58,00,00,000(Fifty Eight Crore Rupees) Equity Shares.	1,16,00,00,000	-
Present Issue in terms of this Draft Letter of Offer^{(a) (b)}		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹[●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share	₹[●]/-	Up to ₹ 49,00,00,000/-
Issued, subscribed and paid-up Equity Share capital after the Issue		
[●] ([●]) Equity Shares	₹[●]/-	
Subscribed and paid-up Equity Share capital		
[●] ([●])fully paid-up Equity Shares	₹[●]/-	
Securities premium account		
Before the Issue ^(c)	1,00,00,000.00	
After the Issue ^(d)	₹[●]/-	

Notes:

The authorized capital has been increased through Postal Ballot Date January 21,2024 from existing Rs. 1,17,00,00,000/- (One Hundred Seventeen Crore Rupees) divided into 58,50,00,000 (Fifty Eight Crore Fifty lakh Rupees) equity shares of face value of Rs. 2/- (Two Rupee) each to Rs.1,67,00,00,000/- (One Hundred Sixty Seven Crore Rupees) divided into 83,50,00,000 (Eight Three Crore Fifty Lakh Rupees) equity shares of face value of Rs. 2/- (Two Rupees)Each.

*Assuming full subscription for allotment of Right Shares;
The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on December 19, 2023.
Subject to finalization of Basis of Allotment, Allotment and deduction of Issue expenses;*

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer;
2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
3. As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) (ii) of the SEBI (SAST) Regulations, in connection with the Issue is ₹[●] (Rupees [●] Only);
5. **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;
6. **Details of stock option scheme of our Company**

As on the date of this Draft Letter of Offer, our Company does not have a stock option scheme;
7. 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 -NIL
8. As on the date of this Draft Letter of Offer, the No Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares.

11. Shareholding Pattern of our company

The shareholding pattern of our Company as on **Quarter Ending 31st December 2023**, is as follows:

Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	-	-	-	-	-	-	-
(B) Public	30515	58,00,00,000	58,00,00,000	100	58,00,00,000	100	57,32,54,050
(C1) Shares underlying DRs							
(C2) Shares held by Employee Trust	--	--	--	--	--	--	--
(C) Non Promoter-Non Public	--	--	--	--	--	--	--
Grand Total	30515	58,00,00,000	58,00,00,000	100.00	58,00,00,000	100.00	573254050

Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of equity shares held in dematerialized form
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A1) Indian

Individuals/Hindu undivided Family	0	0	0	0	0
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Sub Total A1	0	0	0	0	0
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A2) Foreign	--	--	--	--	--
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A=A1+A2	0	0	0	0	0
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a) Statement showing shareholding pattern of the Public shareholders:

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
B1) Institutions	-	-	-	-	-	-	-
B2) Institution (Domestic)	-	-	-	-	-	-	-
B3 Institution (Foreign)	-	-	-	-	-	-	-
B2) Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
B3) Non-Institutions							
<i>Resident Individual share capital upto ₹2 Lacs</i>	30233	62239940	62239940	10.73	62239940	10.73	58788390
<i>Resident Individual share capital in excess of ₹2 Lacs</i>	87	22709610	22709610	3.92	22709610	3.92	2,02,14,910
<i>Non-Resident Indian (NRI)</i>	18	113904	113904	0.02	113904	0.02	113904
<i>Bodies Corporate</i>	47	491492893	491492893	84.74	491492893	84.74	490693193
AryadeepInfrahomesPrivate Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Sonar Bangla Career Academy Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Pearl Dealers Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Woodland Retails Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Arrowspace Advisors Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Sandhil Consultancy Services Private Limited .	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Starlink Management Services Private Limited .	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Shristidata Distributors Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
N S LongiaParivahan Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Waybroad Trading Private Limited	1	17890296	1,78,90,296	3.08	1,78,90,296	3.08	1,78,90,296
Nexus Niwas Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Kalashdhan Barter Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Ambashree Distributors Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Phagun Enterprises Private Limited	1	22500000	2,25,00,000	3.88	2,25,00,000	3.88	2,25,00,000
Mocktail Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Moppingtopping Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Ultimateannex Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Fartile Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Tumpkinsharp Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000

Category and name of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Mariango Trading Private Limited	1	25000000	2,50,00,000	4.31	2,50,00,000	4.31	2,50,00,000
Any Other (specify)	7	1,20,000	1,20,000	1.47	1,20,000	1.47	1,20,000
Clearing Members							
HUF	5	48,000	48,000	0.59	48,000	0.59	48,000
LLP	2	425000	4,25,000	0.07	4,25,000	0.07	4,25,000
Sub Total B4	30515	580000000	58,00,00,000	100.00	58,00,00,000	100.00	57,32,54,050
B=B1+B2+B3+B4	315	580000000	580000000	100.00	580000000	100	

b) Statement showing shareholding pattern of the Non Promoter- Non Public shareholder

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held(IV)	Total no. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of equity shares held in dematerialized form (XIV)(Not Applicable)
C1) Custodian/DR Holder	--	--	--	--	--

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held(IV)	Total no. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of equity shares held in dematerialized form (XIV)(Not Applicable)
C2) Employee Benefit Trust	--	--	--	--	--

Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the company

Sr. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
--			Nil		

Details of Significant Beneficial Owners

Sr, No.	Details of SBO (I)		Details of registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III)					Date of creation / acquisition of significant beneficial interest# (IV)
	Name	Nationality	Name	Nationality	Equity Shares	Voting Rights	Whether virtue of Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1.	--	--	--	--	--	--	--	--	--	--

Note = * In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories

This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds from this Issue towards the following objects:

1. To meet the Working Capital requirements of the Company; and
2. General Corporate Purposes

The main objects and the objects incidental and ancillary to the main objects of our MOA enable our Company to undertake 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 MOA.

Issue Proceeds

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

Particulars	Amount
Gross Proceeds from the Issue [#]	49,00.00
Less :Estimated Issue related Expenses*	120.00
Net Proceeds from the Issue	4780.00

[#] Assuming full subscription and Allotment;

*The Issue size will not exceed ₹ 4900.00 Lacs. If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.

Requirement of Funds and utilization of Net Proceeds

The proposed utilization of the Net Proceeds by your Company is set forth in the following table:

Particulars	Amount
Augmenting Working Capital Requirements	4000.00
General Corporate Purpose*	780.00
Total Net proceeds	4780.00

*The amount shall not exceed 25% of the Gross Proceeds

There are no existing or anticipated transactions in relation to utilization of Net Proceeds with Directors, Key Managerial Personnel or associate companies (as defined under Companies Act, 2013).

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 and existing identifiable internal accruals.

The funding requirements mentioned above are based on, inter alia, our Company's internal management estimates and have not been appraised by any bank, financial institution, or any other external agency. For further details, see "Risk Factors". Our funding requirements and the proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any independent agency and may be subject to change based on various factors, some of which are beyond our control". They are based on current circumstances of our business and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment, interest, or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management. In case of a shortfall in the Net Proceeds, **our management may explore**

range of options which include utilisation of our internal accruals, or other modes of financing. Our Company proposes to meet the entire funding requirements for the proposed objects of the Issue from the Net Proceeds. Therefore, our Company is not required to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue. Any amount deployed by our Company out of internal accruals/short term borrowings towards the aforementioned objects till the date of receipt of Issue Proceeds shall be recouped by our Company from the Issue Proceeds. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above-mentioned Objects through a combination of Internal Accruals or Loans (Bridge Financing) and in such case the Funds raised shall be utilised towards repayment of such Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

Proposed schedule of implementation and deployment of Net Proceeds

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

Sr. No.	Particulars	Amount to be deployed from Net Proceeds	Estimated deployment to Net Proceeds
			FY 2024
1.	To augment the existing and incremental working capital requirement of our company	4000.00	4000.00
2.	General Corporate Purposes [#]	780.00	780.00
	Total Net Proceeds*	4780.00	4780.00

[#]The amount to be utilized for General Corporate Purposes will not exceed 25% of the Gross Proceeds.

*Assuming full subscription in the Issue, subject to finalization of the Basis of Allotment, receipt of Call Monies with respect to Rights Issue and to be adjusted per the Rights Entitlement ratio

In the event that the estimated utilization of the Net Proceeds in a scheduled Fiscal Year is not completely met (in full or in part), due to factors stated above and other factors such as (i) economic and business conditions; (ii) the timing of completion of the Issue; (iii) market conditions outside the control of our Company; and (iv) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in full or in part) in subsequent periods as may be determined by our Company, in accordance with applicable laws. Any change in estimated schedule of utilization shall be subject to shareholders approvals and in accordance with applicable laws.

In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated cost of the Objects, business considerations may require us to explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We may make these alternate arrangements to fund any such shortfalls.

In the event the Net Proceeds are not completely utilized for the purposes stated above and as per the estimated schedule of utilisation specified above, the same would be utilized in subsequent Financial Years for achieving the Objects of the Issue.

Details of the Objects

The details of the Objects of the Issue are set out below:

Funding the working capital requirements of our Company. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive

and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

(₹in lakhs)

Sr. No.	Particulars	Unaudited for the quarter and half year ended December 31, 2023	Audited for the Financial Year 2020-21	Audited for the Financial Year 2021-22	Audited for the Financial Year 2022-23	Estimated for the Financial Year 2023-24	Estimated for the Financial Year 2024-25
I	Financial Assets						
	1. Cash And Cash Equivalents	68.42	284.73	22.40	111.30	45.48	63.67
	2. Trade Receivables	476.01	0	0	5.69	0.95	1.59
	3. Loans	12911.31	4333.20	2542.24	7749.01	18912.77	26345.9
	4. Investments	4265.28	3.51	2.76	388.86	3626.73	4120.2
	5. Other Financial Assets	10.78	13.17	27.01	53.51	48.54	51.30
	Total Financial Assets (A)	17731.81	4634.61	2594.41	8308.37	22634.47	30582.66
	Non-Financial Assets						
	Property, Plant and Equipment	259.42	0.72	0.86	143.19	284.60	385.75
	Deferred tax Assets (Net)	0.00	0.78	0.76	0	0	0
	Other Non-Financial Assets	376.61	12.28	1.00	747.31	313.00	441.33
	Total Non-Financial Assets (B)	636.03	13.78	2.62	890.50	597.60	827.08
	Total Assets (A+B)	18367.84	4648.39	2597.03	9198.87	23232.07	31409.74
II	Financial Liabilities						

	1. Other Payables	138.65	3.94	8.62	20.63	71.19	77.90
	2. Borrowings	5970.63	2928.33	890.69	2996.82	7230.58	7986.1
	Total Financial Liabilities (C)	6109.28	2932.27	899.31	3017.45	7301.77	8064.00
	Non-Financial Liabilities						
	Provisions	43.00	14.50	14.50	43.00	314.00	480.00
	Deferred Tax Liabilities	206.34	0	0	1.51	70.88	166.56
	Other Non-Financial Liabilities	0.43	21.11	7.50	4.33	20.53	26.70
	Total Non-Financial Liabilities (D)	249.76	35.61	22.00	48.84	405.41	673.26
	Total Liabilities (C+D)	6359.04	2967.88	921.31	3066.29	7707.18	8737.26
III	Working Capital Gap (A-B)	12008.80	1671.51	1675.72	6132.58	15524.89	22672.48
IV	Funding Pattern						
	Internal Accruals / Short Term Borrowings	5970.63	2928.33	890.69	2996.82	5233.51	521.34
	Proceeds from Working Capital	6038.17	1256.82	785.03	3135.76	10291.38	17251.14
	Net Proceeds from the proposed Rights Issue	0.00	0.00	0.00	0.00		4900.00
	Total	12008.80	1671.51	1675.72	6132.58	15524.89	22672.48

Sr. No.	Particulars	Basis	Audited for The Financial Year 20-21	Audited for The Financial Year 2021-22	Audited for The Financial Year 2022-23	Estimated for the Financial Year 2023-24	Estimated for the Financial Year 2024-25
I	Current Assets						
(a)	Trade Receivables	Years			-	-	
(b)	Loans	Years		∞	1-3		
II	Current Liabilities						
(a)	Other Payables	Years			-	-	
(b)	Borrowings	Years			1-3	-	
III	Working Capital Cycle(I-II)	Years			1-3	-	

Justification for Holding Period Level

	Assumptions made and justification
Financial Assets	
Loans	The Company being an NBFC classified under the Base Layer is engaged in providing loans and advances in the ordinary course of business. The Company sanctions Loans whether business/personal to its customers ranging from 3 months to 3 years period on completion of KYC (Know Your Customer) and execution of Inter Corporate Deposit / Loan Agreement, as the case may be. There are no overseas loan being provided during the FY 2022-23. The Company loan book has been increased by around 50% by the end of nine month ended 31 st December, 2023

General Corporate Purpose:

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited to funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

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

Deployment of Funds

Particulars	₹in Lakhs
Deployment of Funds	
Issue Expenses	120.00
Sources of Funds	
Internal Accruals*	120.00

Estimated Issue Related Expenses

The estimated Issue related expenses are as follows:

Sr. No.	Particulars	Estimated Amount*(₹in lakhs)	As a percentage of total estimated Issue expenses*	As a percentage of Gross Issue size*
1	Fees payable to the Registrar to the Issue	10.80	9.00%	0.22%
2	Fees payable to the other professional service providers	13.20	11.00%	0.26%
3	Advertising, marketing, and shareholder outreach expenses	6.00	5.00%	0.12%
4	Fees payable to regulators, including Stock Exchanges, SEBI, depositories and other statutory fee	53.55	44.63%	1.09%
5	<i>Others</i>			
	Other Professional fees			
	Printing and stationery	17.71	14.76%	0.36%
	Statutory Auditors.	2.40	2.00%	0.04%
	Bank to the issue.	4.80	4.00%	0.09%
	Miscellaneous expenses and stamp duty.	11.54	9.61%	0.23%
	Total estimated issuer-related expenses	120.00	100.00%	2.41%

of the Net Proceeds towards the stated objects of the Issue, our Company shall not use/deploy the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Monitoring of utilization of funds

Since the Issue is for an amount less than ₹ 10,000 lakhs, in terms of Regulation 82 of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the

proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulations 18(3) read with Part C of Schedule II of the SEBI Listing Regulations, we will disclose to the Audit Committee the uses/application of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the Audit Committee. The said disclosure shall be made until such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Statutory Auditor.

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

Appraising entity None of the objects of this Issue, for which the Net Proceeds will be utilized, have been appraised.

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

Interest of Directors and key management personnel, in the objects of the Issue.

Neither Directors, Group Companies or Key Management Personnel has entered into nor are planning to enter into any arrangement/ agreements Directors, Key Management Personnel or our Group Companies in relation to the utilization of the Net Proceeds of the Issue. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above

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 as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with, 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 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 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.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Srestha Finvest Limited,
Door No.19 & 20, General Muthiah Mudali Street,
Sowcarpet, Chennai, Tamil Nadu, 600003

Dear Sir,

Subject: Proposed rights issue of equity shares of face value of ₹ 2 (Rupee Two only) ('Equity Shares') of Srestha Finvest Limited('Company' and such offering, the 'Issue')

This certificate is issued in accordance with the terms of our engagement letter dated December 19, 2023.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India available to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders. We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

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

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

1. The Company or its shareholders will continue to obtain these benefits in future; or
2. The conditions prescribed for availing the benefits have been/would be met with.

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

We hereby consent to the extracts of this certificate being used in the draft letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Company in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Company may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company, their affiliates and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and 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.

Yours faithfully,

FOR DARPAN KUMAR

DARPAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: - 016156S
M.No. 235817;
UDIN: 24235817BKFAYB4857
Place: Chennai

Date: December 19, 2023

ANNEXURE I

**STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO SRESTHA FINVEST LIMITED
(‘COMPANY’) AND ITS SHAREHOLDERS**

1. Under the Income Tax Act, 1961 (‘Act’)

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Act

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

Notes

1. 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;
2. 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;
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23;
4. 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;
5. 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;
6. 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;

FOR DARPAN KUMAR

**DARPAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: - 016156S
M.No. 235817;
UDIN: 24235817BKFAYB4857
Place: Chennai**

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO SRESTHA FINVEST LIMITED('COMPANY') AND ITS SHAREHOLDERS

- 1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')**

- a. Special tax benefits available to the Company under the Indirect Tax**

There are no special indirect tax benefits available to the Company.

- b. Special tax benefits available to the shareholders under the Indirect Tax**

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;
2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;
3. 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;
4. 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;

FOR DARPAN KUMAR

**DARPAN & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: - 016156S
M.No. 235817;
UDIN: 24235817BKFAYB4857
Place: Chennai**

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from reports publicly available documents and information, including, but not limited to, materials issued or commissioned by the Government of India and certain of its ministries, trade and industry-specific publications and other relevant third-party sources. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While the Company has exercised reasonable care in relying on such government, industry, market and other relevant data in this document, it has not been independently verified by the Company or any of its advisors, nor the Lead Manager or any of its respective advisors, and should not be relied on as if it had been so verified.

Indian Economy

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

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

India's appeal as a destination for investments has grown stronger and more sustainable as a result of the current period of global unpredictability and volatility, and the record amounts of money raised by India-focused funds in 2022 are evidence of investor faith in the "Invest in India" narrative.

Strong economic growth in the first quarter of FY23 helped India overcome the UK to become the fifth-largest economy after it recovered from the COVID-19 pandemic shock. Real GDP at constant prices (2011-12) in the first quarter of 2023–24 is estimated at Rs. 40.37 trillion (US\$ 484.94 billion), showing a growth of 7.8% as compared to the first quarter of 2022–23 estimated at Rs. 37.44 trillion (US\$ 449.74 billion). Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. In 2023-24 (April-September), India's service exports stood at US\$ 164.89 billion. Furthermore, India's overall exports (services and merchandise) in 2023-24 (April-September) were estimated at US\$ 376.29 billion. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 301.75 trillion (US\$ 3.62 trillion) in 2023-24. Additionally, the Nominal GDP at current prices in Q1 of 2023-24 was Rs. 70.67 trillion (US\$ 848.92 billion), as against Rs. 65.42 trillion (US\$ 785.85 billion) in 2022-23, estimating a growth of 8%. With 115 unicorns valued at more than US\$ 350 billion, as of February 2023, India presently has the third-largest unicorn base in the world. The government is also focusing on renewable sources by achieving 40% of its energy from non-fossil sources by 2030. India is committed to achieving the country's ambition of Net Zero Emissions by 2070 through a five-pronged strategy, 'Panchamrit'. Moreover, India ranked 3rd in the renewable energy country attractive index.

According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 to 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between same time period. India's current account deficit (CAD) decreases to US\$ 9.2 billion in Q1 of 2023-24 from US\$ 17.9 billion in Q1 of 2022–2023.

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

RECENT DEVELOPMENTS

Some of them are mentioned below.

As of August 2023, India's foreign exchange reserves stood at US\$ 594.90 billion.

In the first half of 2023-24, India saw a total of US\$ 21 billion in PE-VC investments.

Merchandise exports in September 2023 stood at US\$ 34.47 billion, with total merchandise exports of US\$ 211.40 billion during the period of April-September (2023-24).

India was also named as the 48th most innovative country among the top 50 countries, securing 40th position out of 132 economies in the Global Innovation Index 2023. India rose from 81st position in 2015 to 40th position in 2023. India ranks 3rd position in the global number of scientific publications.

PMI Services remained comfortably in the expansionary zone at 62.3 in the month of June 2023.

In September 2023, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 1,62,712 crore (US\$ 19.54 billion), of which CGST is Rs. 29,818 crore (US\$ 3.58 billion), SGST is Rs. 37,657 crore (US\$ 4.52 billion), IGST is Rs. 83,623 crore (US\$ 10.04 billion).

Between April 2000–June 2023, cumulative FDI equity inflows to India stood at US\$ 937.58 billion.

In August 2023, the overall IIP (Index of Industrial Production) stood at 145.1. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 111.9, 143.5 and 220.5, respectively, in August 2023.

According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 5.02% in September 2023.

Foreign Institutional Investors (FII) inflows between April-July (2023-24) were close to Rs. 80,500 crore (US\$ 9.67 billion), while Domestic Institutional Investors (DII) sold Rs. 4,500 crore (US\$ 540.56 million) in the same period. As per depository data, Foreign Portfolio Investors (FPIs) invested Rs. 22,000 crore (US\$ 2.67 billion) in India during the first week of July 2023.

The wheat procurement during RMS 2023-24 (till May) was estimated to be 262 lakh metric tonnes (LMT) and the rice procured in KMS 2023-24 was 385 LMT. The combined stock position of wheat and rice in the Central Pool is over 579 LMT (Wheat 312 LMT and Rice 267 LMT).

ROAD AHEAD

In the second quarter of FY24, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2023. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked 5th in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022.

India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in 2023-24, stood 37.4% higher than the same period last year. In the budget of 2023-24, capital expenditure took lead by steeply increasing the capital expenditure outlay by 37.4 % in BE 2023-24 to Rs.10 lakh crore (US\$ 120.12 billion) over Rs. 7.28 lakh crore (US\$ 87.45 billion) in RE 2022-23. The ratio of revenue expenditure to capital outlay increased by 1.2% in the current year, signalling a clear change in favour of higher-quality spending. Stronger revenue generation because of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels.

Since India's resilient growth despite the global pandemic, India's exports climbed at the second-highest rate with a year-over-year (YoY) growth of 8.39% in merchandise exports and a 29.82% growth in service exports till April 2023. With a reduction in port congestion, supply networks are being restored. The CPI-C inflation reduction from June 2022 already reflects the impact. In September 2023 (Provisional), CPI-C inflation was 5.02%, down from 7.01% in June 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

GOVERNMENT INITIATIVES

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

On August 6th, 2023, Amrit Bharat Station Scheme was launched to transform and revitalize 1309 railway stations across the nation. This scheme envisages development of stations on a continuous basis with a long-term vision.

On June 28th, 2023, the Ministry of Environment, Forests, and Climate Change introduced the 'Draft Carbon Credit Trading Scheme, 2023'.

From April 1st, 2023, Foreign Trade Policy 2023 was unveiled to create an enabling ecosystem to support the philosophy of 'AtmaNirbhar Bharat' and 'Local goes Global'.

In order to enhance India's manufacturing capabilities by increasing investment and production in the sector, the government of India has introduced the Production Linked Incentive Scheme (PLI) for Pharmaceuticals.

Prime Minister's Development Initiative for North-East Region (PM-DevINE) was announced in the Union Budget 2022-23 with a financial outlay of Rs. 1,500 crore (US\$ 182.35 million).

Prime Minister MrNarendraModi has inaugurated a new food security scheme for providing free food grains to Antodaya Ann Yojna (AAY) & Primary Household (PHH) beneficiaries, called PradhanMantriGaribKalyan Ann Yojana (PMGKAY) from January 1st, 2023.

The Amrit Bharat Station scheme for Indian Railways envisages the development of stations on a continuous basis with a long-term vision, formulated on December 29th, 2022 by the Ministry of Railways.

On October 7th, 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) launched Credit Guarantee Scheme for Start-ups (CGSS) aiming to provide credit guarantees up to a specified limit by start-ups,

facilitated by Scheduled Commercial Banks, Non-Banking Financial Companies and Securities and Exchange Board of India (SEBI) registered Alternative Investment Funds (AIFs).

Telecom Technology Development Fund (TTDF) Scheme was launched in October 2022 by the Universal Service Obligation Fund (USOF), a body under the Department of Telecommunications. The objective is to fund R&D in rural-specific communication technology applications and form synergies among academia, start-ups, research institutes, and the industry to build and develop the telecom ecosystem.

Home & Cooperation Minister Mr. Amit Shah laid the foundation stone and performed BhoomiPujan of TanotMandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.

Financial Service industry in India

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

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

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

Market Size

As of July 2023, AUM managed by the mutual funds industry stood at US\$ 556.81 billion (Rs. 46.38 Trillion) which is around a two-fold increase in the span of five years. 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 leading Exchange will set up a joint venture with EbixInc 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).

Leading AMCs in India

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

In July 2023, Unified Payments Interface (UPI) recorded 9.96 billion transactions worth US\$ 184.16 billion (Rs. 15.34 Lakh crore).

The number of transactions through immediate payment service (IMPS) reached 482.46 million (by volume) and amounted to Rs. 4.66 trillion (US\$ 57.05 billion) in October 2022.

India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than in 2020.

In 2021, Prosus acquired Indian payments giant Bill Desk for US\$ 4.7 billion.

In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called 'Account Aggregator' to enable consumers to consolidate all their financial data in one place.

In September 2021, Piramal Group concluded a payment of US\$ 4.7 billion (Rs. 34,250 crore) to acquire Dewan Housing Finance Corporation (DHFL).

Road Ahead

India's financial services industry has experienced huge growth in the past few years. This momentum is expected to continue. India's private wealth management Industry shows huge potential. India is expected to have 6.11 lakh HNWIs by 2025. This will indeed lead India to be the fourth-largest private wealth market globally by 2028. India's insurance market is also expected to reach US\$ 250 billion by 2025. This will further offer India an opportunity of US\$ 78 billion in additional life insurance premiums from 2020-30.

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

Growth of financial service sector in India

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

India's Fintech space is expected to further fuel this growth in various segments. India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US\$ 4.4 billion by 2022, while mobile wallet transactions will touch US\$ 388.8 billion (Rs. 32 trillion) during the same period.

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

GOVERNMENT INITIATIVES

Some of the major Government Initiatives are:

In 2023, the government revamped the credit guarantee scheme. The inflow of INR 9,000 crores into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.

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

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

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

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

BUSINESS OVERVIEW

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward - Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve month period ended March 31 of that year.

You should carefully consider all the information in this Letter of Offer, including, “Risk Factors”, “Industry Overview”, “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition” beginning on pages 27, 70, 86 and 118 respectively, before making an investment in the Equity Shares.

In this section, any reference to the “Company” “we”, “us” or “our” refers to Srestha Finvest Limited.

OUR COMPETITIVE STRENGTHS

Expert Financial Team:

Our company has team of highly skilled financial professionals with a track record of excellence in the industry. Expertise in navigating complex financial markets and delivering tailored solutions. Our company Comprehensive suite of financial products and services catering to a wide range of client requirements. Our company is a One-stop-shop for investment, wealth management, and financial advisory services.

2. Quality

Our Company has always believed in the best quality in our service. Our Company is dedicated towards quality of our services and we adhere to quality standards as prescribed by our clients.

OUR STRATEGIES

We strive for complete transparency and satisfaction of our clients with an unwavering thrust and focus on professional excellence and integrity. Our key strategic initiatives are described below:

1. Focus on efficient use of technology

Technology has played an important role, particularly in financial sector. Embedded Finance has been a game changer and has enabled us cater to large number of customers of channel partners in an effective manner. We continue to follow Digital / Physical process of lead generation, evaluation of customers, credit appraisal & disbursement provides real time loan decisions and superior customer experience. We intend to continue investing in technology to improve our operational efficiencies and to strengthen our position in increasingly sophisticated and competitive market.

2. Maintain and expand long term relationship with client

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

3. Leverage on our experience and relationships

We are in the financial services industry for last 38 years. We continue to leverage our experience and relationships with our customers to expand and diversify.

4. Attract and retain experienced professionals

Our Company is being managed by qualified professionals with experience in financial services sector, credit evaluation, risk management, technology, and marketing. We have a very loyal team of professionals, some of whom are with us for a long time..”

The Company's main business are Lending Money against Securities, Movable and immovable properties, Finance, Hire purchase and Leasing. The Company's Shares are listed in the Bombay Stock Exchange Limited and Metropolitan Stock Exchange Ltd. The Company is a Non-Banking Financial Company registered with Reserve Bank of India as a Category 'B' NBFC Company. The company is not accepting Public Deposits. The Company has no Subsidiary Companies.

5. Plant and Machinery

We being NBFC company do not own any major plant and machinery other than computers.

DESCRIPTION OF OUR BUSINESS

We are currently engaged in the business of Our Lending Business segment aims to provide specialized and holistic solutions to Indian corporates and personal private parties helping them build and grow their businesses. We focus on products in the structured credit space backed by decent cash flows to build a secured and quality wholesale lending portfolio. Under the Wholesale Lending Business, we provide credit solutions for situations like initial funding requirements of a project, mezzanine financing, acquisition financing, project financing, bridge financing, promoter funding, short term and long term working capital requirements, personal finance etc.

As part of our Lending Business, we cater to various corporates and individuals financial requirements offering custom-made solutions. Our lending business offers various custom made solutions,

SresthaFinvest Ltd also indulges in investment and trading in to stocks and shares as part of their business vertical. The Investments are both in terms of strategic as well as trade purposes. The company aims to build and develop its business model in to customized product solutions for its clientele also over a period of time in near future.

The company also aims to develop its business verticals in more dynamic streams offering one stop solutions for all kinds of finance and Investment related products.

Collaborations

We have not entered into any technical or other collaboration.

Capacity and Capacity Utilization

Our Company operates in a trading industry and hence capacity and capacity utilization is not applicable to us.

Export Possibilities & Export Obligation Currently,

Currently, we do not have any outstanding export obligations.

Property

The following table sets forth the location and other details of the leasehold properties of our Company:

Description of Property	Name of Lessor	Agreement Date, Lease Date	Period
NIL	NA	NA	NA

Intellectual Property

Our Company do not own any intellectual property including trademark.

Manpower

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

The following is a department-wise break-up of our employees as on March 31, 2023 do not have any outstanding export obligations.

Sr. No.	Category	Total
1	Management	-
2	Others	3
	Total	3

OUR FINANCIAL PERFORMANCE

Particulars	Financial Statements for the Financial Year ending			
	December 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Equity Share Capital	1,16,00,00,000	16,50,00,000	66,00,00,000	16,50,00,000
Net Worth	1,20,08,79,662	16,75,72,000	61,32,59,000	16,75,72,000
Total Income	7,80,70,775	2,30,55,000	2,74,71,000	2,30,55,000
Profit / (loss) after tax	(3,31,99,634)	(4,05,000)	(4,97,41,000)	(4,05,000)
Basic and diluted EPS	(0.057) & (0.057)	(0.005) & (0.005)	(0.603) & (0.151)	(0.005) & (0.005)
Total borrowings	59,70,62,719	8,90,69,282	29,96,82,106	8,90,69,282

MAIN OBJECTS OF OUR COMPANY AS PER MOA**A. MAIN OBJECT OF THE COMPANY TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION**

To undertake and carry on the business of Hire Purchase of movable or immovable properties of any kind, Merchant Bankers, Lead Managers, registrars to the Issue, Shares Transfer Agent, Investment advisors, Portfolio managers, Trustee of debenture holders. Lead managers to Issue, Management of security offering, Issue of corporate Bodies including making arrangement for selling or buying or subscribing to or dealing in shares and securities, Factoring services, Bill discounting project Appraisal, Loan syndication, Non-fund based financial services, international financial advisory service, Investment banking and other ancillary financial services, one or more membership in stock / security exchanges, National Stock Exchanges, OTC Exchange, Trade and Industrial Associations, Chamber of commerce, Commodity exchanges, Clearing and Forwarding Houses or associations or otherwise, Foreign Exchange dealer, Money changer, Authorized dealer of foreign currency, Forex consultants and generally to invest and deal with moneys of the company in or upon such securities and in such manner as from time to time determined.

CHANGES IN MEMORANDUM OF ASSOCIATION

The following changes have been made in the Memorandum of Association of our Company since inception:

Sr. No.	Particulars	Date of Meeting
1.	Change in the name of the Company from M.S. Investments Limited to Srestha Finvest Limited	September 30, 2015
2	Increase the Authorised Share Capital of the Company from Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- each	September 30, 2016
3	Sub Division of Equity Shares of Face Value of Rs. 10/- each to Rs. 2/- each The Authorized Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 7,50,00,000 (Seven Crore Fifty Lakhs) Equity Shares of Rs. 2/- each	September 30, 2016
4	Increase the Authorised Share Capital of the Company from Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 2/- each to Rs. 16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) divided into 8,25,00,000 (Eight Crores Twenty-Five Lakhs) Equity Shares of Rs. 2/- (Rupees Two) each	June 22, 2018
5	Increase the Authorised Share Capital of the Company from Rs. 16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) divided into 8,25,00,000 (Eight Crores Twenty-Five Lakhs) Equity Shares of Rs. 2/- (Rupees Two) each to Rs. 66,00,00,000 /- (Rupees Sixty-Six Crores Only) divided into 33,00,00,000 (Thirty-Three Crores)	May 06, 2022

	equity shares of Rs. 2/- (Rupees Two) each.	
6	Increase the Authorised Share Capital of the Company from Rs. 66,00,00,000 /- (Rupees Sixty-Six Crores Only) divided into 33,00,00,000 (Thirty-Three Crores) equity shares of Rs. 2/- (Rupees Two) each to Rs. 1,17,00,00,000 /- (Rupees One Hundred and Seventeen Crores Only) divided into 58,50,00,000 (Fifty Eight Crores and Fifty Lakhs) equity shares of Rs. 2/- (Rupees Two) each.	July 13, 2023
7	Increase the Authorised Share Capital of the Company from Rs. 1,17,00,00,000 /- (Rupees One Hundred and Seventeen Crores Only) divided into 58,50,00,000 (Fifty Eight Crores and Fifty Lakhs) equity shares of Rs. 2/- (Rupees Two) each to Rs. 1,67,00,00,000/- (Rupees One Hundred Sixty Seven Crores Only) divided into 83,50,00,000 (Eight Three Crores Fifty Lakhs) equity shares of face value of Rs. 2/- (Rupees Two) each	January 21, 2024

OUR MANAGEMENT**BOARD OF DIRECTORS**

As on date of this Draft Letter of Offer, our Company currently has 5 (Director) directors on its Board, Non - executive Director 1 (one) Managing Director and 2 (Two) 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, Term, Nationality, Date of Birth and DIN	Age	Other directorships
MS. SITABEN S PATEL <i>Designation:</i> Non-Executive Director Independent Director <i>Address:</i> 6, Tulsi Nagar, Mahila College Road, Unjha, UnjhaMahesana, Unjha Gujarat India 384170 <i>Occupation:</i> Business; <i>Current Term:</i> Liable to retire by rotation <i>Date of Appointment</i> Since October28, 2021; <i>Nationality:</i> Indian; <i>Date of Birth:</i> 15/08/1968 <i>DIN:</i> 02470150	55years	Company:- 5 Welcure Drugs And Pharmaceuticals Limited Sru Steels Limited Sunstar Realty Development Limited Tarang Projects And Consultant Limited Kailash Auto Finance Limited
MR.MAYURDWAJSINH SAHADEVSIKH RANA <i>Designation</i> Non-Executive - Non Independent Director <i>Address</i> Sauka Surendranagar Gujarat India 363421 <i>Occupation</i> Service; <i>Date of Appointment</i> 22/10/2021; <i>Nationality</i> Indian;	24years	No other directorships

<i>Date of Birth</i>	05/10/1999		
<i>DIN</i>	09234993		
MR. UMESHBHAI HIRJIBHAI PADARIYA <i>Designation</i> Non-Executive Independent Director <i>Address</i> Nr. Shankar Mandir, Kanbivad, Navagadh, Taluka - Jetpur, Dist - Rajkot, Rajkot Gujarat India 360375 <i>Occupation</i> Business <i>Current Term</i> Liable to retire by rotation <i>Date of Appointment</i> 07/10/2022; <i>Nationality</i> Indian <i>Date of Birth</i> 08/07/1972 <i>DIN</i> 06826543		51 years	No other directorships
MR. SAHADEV SINH BABUBHA RANA <i>Designation</i> Non-Executive - Non Independent Director <i>Address</i> Sauka Surendranagar Gujarat India 363421 <i>Occupation</i> Business <i>Current Term</i> One year <i>Date of Appointment</i> 14/10/2022 <i>Nationality</i> Indian <i>Date of Birth</i> 08/07/1970 <i>DIN</i> 09269488		53 years	No other directorships
MR. SUNIL BHANDARI <i>Designation</i> Whole Time Director <i>Address</i> B-301, Wembley Estate, Opp. Rosewood City Sector - 49/50 Gurgaon Haryana-HR 122018 <i>Occupation</i> Business		50 years	Company:- 1 Sunstar Realty Development Limited

<i>Current Term</i>	One year		
<i>Date of Appointment</i>	17/10/2022		
<i>Nationality</i>	Indian		
<i>Date of Birth</i>	24/09/1973		
<i>DIN</i>	03120545		

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or 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

Further, none of our Directors are or were a director of any listed company, which has been, or was 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.

Relationship between Directors

None of our Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

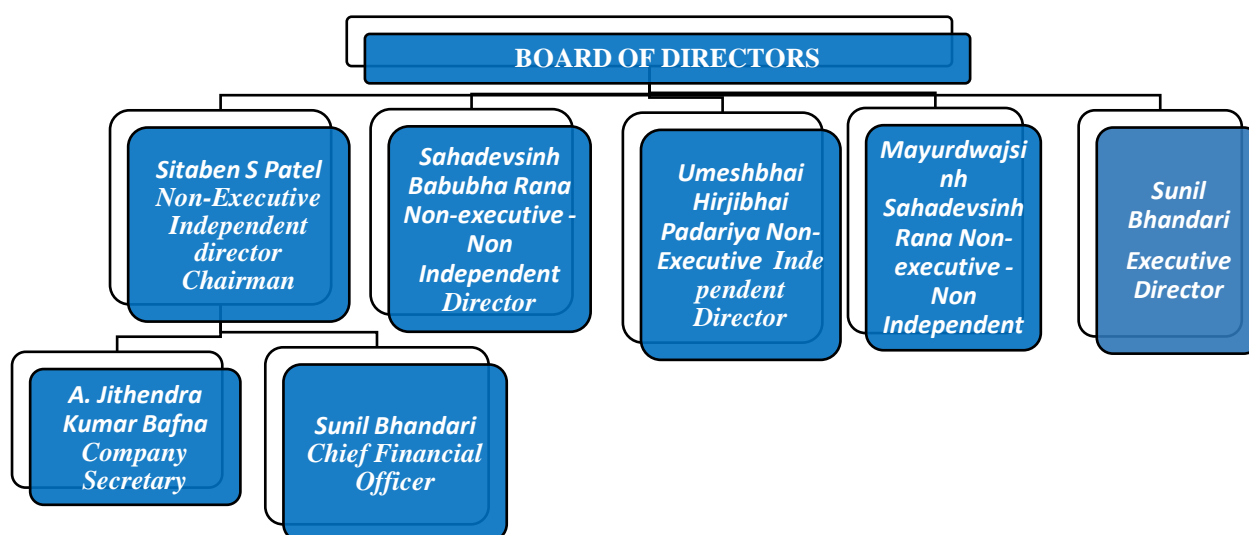
Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

KEY MANAGERIAL PERSONNEL

Status of Key Managerial Personnel		Age (Years)
SUNIL BHANDARI		
<i>Designation</i>	Chief Financial Officer	
<i>Address</i>	B-301, Wembley Estate, Opp. Rosewood City Sector - 49/50 Gurgaon Haryana-HR 122018	50years
<i>Date of Appointment</i>	17.10.2022	

Status of Key Managerial Personnel		Age (Years)
<i>Nationality</i>	Indian;	
<i>Educational Qualification</i>		
A. Jitendra Kumar Bafna		
<i>Designation</i>	Company Secretary and Compliance Officer;	
<i>Address</i>	Old No. 42/2, 2 nd Floor, Chakkarai Chetty Street, Kondithope Chennai - 600001	40 years
<i>Date of Appointment</i>	27.10.2020	
<i>Nationality</i>	Indian;	
<i>Educational Qualification</i>	Company Secretary;	

ORGANISATIONAL STRUCTURE



SECTION V: FINANCIAL INFORMATION**FINANCIAL STATEMENTS**

Sr. No.	Particulars	Page Number
1	Audited Financial Statements of our Company as at and for the financial year ended March 31, 2023	86-111
2	Unaudited Financial Statements of our Company for quarter ending December 31, 2023	112-115

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 December 31, 2023 till date of this Letter of Offer. We have not given Restated Financials because we fall under Part B of SEBI (ICDR), 2018.

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BALANCE SHEET AS AT MARCH 31, 2023

(Rs. In Lakhs)

Particulars	Note	March 31, 2023	March 31, 2022
ASSETS			
Financial Assets			
(a) Cash And Cash Equivalents	3	111.30	22.40
(b) Bank Balance Other Than (a) Above			
(c) Derivative Financial Instruments			
(d) Receivables			
(i) Trade Receivables	4	5.69	-
(ii) Other Receivables		-	-
(e) Loans	5	7749.01	2542.24
(f) Investments	6	388.86	2.76
(g) Other Financial Assets (to be specified)	7	53.51	27.01
Non-Financial Assets			
(a) Inventories			
(b) Current tax assets (Net)			
(c) Deferred tax Assets (Net)	8	-	0.76
(d) Investment Property			
(e) Biological Assets Other Than Bearer Plants			
(f) Property, Plant And Equipment	9	143.19	0.86
(g) Capital Work-In-Progress			
(h) Intangible Assets Under Development			
(i) Goodwill			
(j) Other Intangible Assets			
(k) Other Non-financial Assets (to be specified)	10	747.31	1.00
Total Assets		9198.88	2597.03
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Derivative Financial Instruments			
(b) Payables			
(i) Trade Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(ii) Other Payables			
(i) total outstanding dues of micro enterprises and small enterprises			
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	20.63	8.62
(c) Debt Securities			
(d) Borrowings (Other than Debt Securities)	12	2996.82	890.69
(e) Deposits			
(f) Subordinated Liabilities			
(g) Other Financial Liabilities (to be specified)			
Non-Financial Liabilities			
(a) Current Tax Liabilities (Net)			
(b) Provisions	13	43.00	14.50
(c) Deferred Tax Liabilities (Net)	8	1.51	
(d) Other Non-Financial Liabilities (to be specified)	14	4.33	7.50
Equity			
(a) Equity Share Capital	15	6600.00	1650.00
(b) Other Equity	16	(467.41)	25.72
Total Equity And Liabilities		9198.88	2597.03

The accompanying notes form an integral part of the financial statements

As per our Report of even date

For Darpan & Associates.,

Chartered Accountants

FRN. 0161565

For and on behalf of the Board of Directors of Srestha Finvest Limited

Sd/-
Darpan Kumar
Partner
M. No. 235817
Chennai | May 30, 2023

Sd/-
Sunil Bhandari
Wholetime Director /CFO
DIN: 03120545

Sd/-
Mayurdwajsinh Sahadevsinh Rana
Director
DIN: 09234993

Sd/-
Jitendra Kumar A Bafna
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

Particulars	Note	(Rs. In Lakhs)	
		Year ended 31st March 2023	Year ended 31st March 2022
Revenue from operations			
(a) Interest Income	17	274.71	230.16
(b) Dividend Income		-	-
(c) Rental Income			
(d) Fees and commission Income			
(e) Others (to be specified)			
I. Total Revenue from operations		274.71	230.16
II. Other Income (to be specified)		-	0.39
III. Total Income (I+II)		274.71	230.55
Expenses			
(a) Finance Costs	18	30.73	68.28
(b) Fees and commission expense			
(c) Impairment on financial instruments			
(d) Employee Benefits Expenses	19	34.74	46.50
(e) Depreciation, amortization and impairment	8	2.70	0.45
(f) Others expenses (to be specified)	20	674.25	117.87
IV. Total Expenses		742.42	233.10
V. Profit / (loss) before exceptional items and tax (III- IV)		(467.71)	(2.55)
VI. Exceptional items			
VII. Profit/(loss) before tax (V - VI)		(467.71)	(2.55)
VIII. Tax Expense:	21		
(a) Current Tax		-	-
(b) Short Provision for Previous year		27.43	1.48
(c) Deferred Tax		2.27	0.02
IX. Profit/(loss) for the period from continuing operations (VII - VIII)		(497.41)	(4.05)
X. Reversal of excess Provisioning for Non-Performing Assets		-	1.40
XI. Provisioning for Standard Assets		-	(1.40)
XII. Profit/(loss) for the period (IX+X+XI)		(497.41)	(4.05)
XIII. Other Comprehensive Income			
(A) (i) Items that will not be reclassified to profit or loss		-	-
- Net gain / (loss) on equity instruments through OCI		4.27	(0.74)
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Subtotal (A)		4.27	(0.74)
(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		-	-
Subtotal (B)		-	-
Other Comprehensive Income (A + B)		4.27	(0.74)
XIV. Total Comprehensive Income for the period (XII+XIII)		(493.13)	(4.79)
Earnings per equity share (Face value Rs. 2/- per equity share)	22		
Basic (Rs.)		(0.60)	(0.00)
Diluted (Rs.)		(0.15)	(0.00)

The accompanying notes form an integral part of the financial statements

As per our Report of even date

For Darpan & Associates
Chartered Accountants
FRN. 0161565

For and on behalf of the Board of Directors of Srestha Finvest Limited

Sd/-
Darpan Kumar
Partner
M. No. 235817
Chennai | May 30, 2023

Sd/-
Sunil Bhandari
Wholetime Director /CFO
DIN: 03120545

Sd/-
Mayurdwajsinh Sahadevsinh Rana
Director
DIN: 09234993

Sd/-
Jitendra Kumar A Bafna
Company Secretary

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2023	Year ended March 31, 2022
Cash Flows from Operating Activities:		
Net Profit before Taxation and Extraordinary Item	(467.71)	(2.55)
Adjustments for :		
Depreciation	2.70	0.44
Gain on Fair Equity Instruments	-	(0.74)
Loss on Sale of Investments	95.90	-
Operating Profit before Working Capital Changes	(369.11)	(2.84)
(Increase) / Decrease in Loan Assets	(5206.77)	(1790.96)
(Increase) / Decrease in Trade Receivables	(5.69)	
(Increase) / Decrease in Other Financial Assets	(26.50)	(13.84)
(Increase) / Decrease in Non-Financial Assets	(746.31)	11.28
Increase / (Decrease) in Trade payables and Other payables	12.01	4.68
Increase / (Decrease) in Borrowings	2106.13	(2037.64)
Increase / (Decrease) in Provisions	28.50	-
Increase / (Decrease) in Other Financial liabilities	(3.17)	(13.67)
Cash Generated from Operations	(4210.91)	(261.01)
Less: Taxes Paid	27.43	1.48
Cash Flow before Extraordinary Items	(4238.34)	(262.49)
Adjustment for Extraordinary Items	-	-
NET CASH FROM / (USED IN) OPERATING ACTIVITIES (A)	(4238.34)	(262.49)
Cash Flows from Investing Activities:		
Purchase of Plant, Property & Equipment	(145.03)	(0.59)
Sale of Investments	817.89	-
Purchase of Investments	(1295.61)	0.74
NET CASH FROM / (USED IN) INVESTING ACTIVITIES (B)	(622.75)	0.15
Cash flow from Financing Activities:		
Issue of Equity Shares during the year	4950.00	-
NET CASH FROM / (USED IN) FINANCING ACTIVITIES (C)	4950.00	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	88.91	(262.34)
Cash and Cash Equivalents at beginning of Period	22.40	284.73
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	111.30	22.40

As per our Report of even date

For Darpan & Associates.,
Chartered Accountants
FRN. 016156S

For and on behalf of the Board of Directors of Srestha Finvest Limited

Sd/-
Darpan Kumar
Partner
M. No. 235817
Chennai | May 30, 2023

Sd/-
Sunil Bhandari
Wholetime Director /CFO
DIN: 03120545

Sd/-
Mayurdwajsinh Sahadevsinh Rana
Director
DIN: 09234993

Sd/-
Jitendra Kumar A Bafna
Company Secretary

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2023

A. Equity Share Capital		(Rs. In Lakhs)	
Equity share capital		Amount	
Balance as at 1 April 2021		1650.00	
Changes in equity share capital during 2021-22		-	
Balance as at 31 March 20212		1650.00	
Changes in equity share capital during 2022-23		4950.00	
Balance as at 31 March 2023		6600.00	

B. Other Equity		(Rs. In Lakhs)				
Particulars	Reserve and Surplus				Total	
	Statutory Reserves	Capital Reserve	Securities Premium	Retained Earnings		Other Comprehensive Income
Balance as at 01 April 2021	23.52	-	100.00	(74.83)	(18.18)	30.51
Profit/Loss for the year						-
Other Comprehensive Income/Loss						-
Total Comprehensive Income for the year	-	-	-	(4.05)	(0.74)	(4.79)
Securities Premium on bonus issue of equity share capital						-
Transfers to Statutory reserves						-
Transfers to General reserves						-
Transfer to/from retained earnings						-
Balance as at 31st March 2022	23.52	-	100.00	(78.88)	(18.92)	25.72
Profit/Loss for the year						-
Other Comprehensive Income/Loss						-
Total Comprehensive Income for the year	-	-	-	(497.40)	4.27	(493.13)
Transfers to Statutory reserves						-
Transfers to General reserves						-
Transfer to/from retained earnings						-
Any other change (to be specified)						-
Balance as at 31st March 2023	23.52	-	100.00	(576.30)	(14.64)	(467.41)

SRESTHA FINVEST LIMITED | 48

NOTES FORMING PART OF THE FINANCIAL STATEMENTS:

1. COMPANY INFORMATION

Srestha Finvest Limited ('the Company') (Corporate ID No.: L65993TN1985PLC012047) is a company limited by shares, incorporated on July 22, 1985 and domiciled in India. The Company is a Non-Banking Financial Company ('NBFC') engaged in providing Loans, Finance and Investments. The equity shares of the Company are listed on The Bombay Stock Exchange Ltd. ("BSE") and Metropolitan Stock Exchange of India Ltd. (MSEI).

The Company is registered as Non-Systematically important Non-Deposit taking NBFC as defined under Section 45-IA of the Reserve Bank of India ('RBI') Act, 1934 and is classified as an NBFC - Investment and Credit Company (NBFC - ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated February 22, 2019. Pursuant to scale based regulations for NBFCs, the Company falls under the category of NBFC-BL (Base Layer).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance and basis for preparation and presentation of financial statements

These standalone or separate financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules 2015 as amended and notified under Section 133 of the Companies Act, 2013 ("the Act"), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance/clarifications/ directions issued by RBI or other regulators are implemented as and when they are issued/ applicable.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.') which is also the Company's functional currency. All amounts are rounded-off to the nearest lakhs, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on a historical cost convention and on an accrual basis, except for certain financial instruments which are measured at fair values as required by relevant Ind AS.

2.4 Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedures with respect to the measurement of fair values. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2.5 Use of estimates and judgments and Estimation uncertainty

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, expenses and the disclosures of contingent assets and liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Company based its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising

that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Following are areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities:

Effective Interest Rate (EIR) Method

The Company recognizes interest income / expense using a rate of returns that represents the best estimate of a constant rate of return over the expected life of the loans given / taken.

This estimation, by nature, requires an element of judgment regarding the expected behavior and life-cycle of the instruments, as well as expected changes to other fee income/expense that are integral parts of the instrument.

Impairment of Financial Assets

The measurement of impairment losses on loan assets and commitments requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

Provisions and other contingent liabilities

The reliable measure of the estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities if any.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

2.6 Revenue recognition:

a) Recognition of interest income on loans

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortized cost, debt instruments measured at FVOCI and debt instruments designated at FVTPL.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument. The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is recorded as a positive or negative adjustment to the carrying amount of the asset in the balance sheet with an increase or reduction in interest income. The adjustment is subsequently amortized through Interest income in the Statement of profit and loss.

When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortized cost of the financial asset. If the financial asset cures and is no longer credit impaired, the Company reverts to calculating interest income on a gross basis. Additional interest and interest on trade advances are recognized when they become measurable and when it is not unreasonable to expect their ultimate collection.

b) Fee and commission income:

Fee based income if any are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned if any for the services rendered are recognized as and when they are due.

c) Dividend and interest income on investments:

- Dividends are recognized in Statement of profit and loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

- Interest income from investments if any is recognized when it is certain that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.7 Property, Plant and Equipment's (PPE)

PPE are stated at cost of acquisition (including incidental expenses), less accumulated depreciation and accumulated impairment loss, if any.

Assets held for sale or disposals are stated at the lower of their net book value and net realizable value.

Depreciation on PPE is provided on written down basis in accordance with the useful lives specified in Schedule II to the Companies Act, 2013 on a pro-rata basis.

The estimated useful lives used for computation of depreciation are as follows:

Computers and data processing units	
- Servers and networks	6 Years
- End user devices, such as, desktops, laptops, etc.	3 Years
Furniture and fittings	10 Years
Office Equipment (incl. Air Conditioners)	5 Years
Vehicles	8 Years

Assets costing less than Rs.5000/- are fully depreciated in the period of purchase.

PPE is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on DE recognition of the asset (calculated as the difference between the net disposal proceeds and the net carrying amount of the asset) is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

2.8 Investments in subsidiaries and associates:

There is no subsidiary or any associate company.

2.9 Foreign exchange transactions and translations:

There are no Foreign Exchange transactions.

2.10 Financial instruments:

a) Recognition and initial measurement -

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b) Classification and Subsequent measurement of financial assets-

On initial recognition, a financial asset is classified as measured at

- Amortized cost;
- FVOCI - debt instruments;
- FVOCI - equity instruments;
- FVTPL

Amortized cost –

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortized cost.

FVOCI - debt instruments – N.A.

FVOCI - equity instruments -

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading.

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets. All financial assets not classified as measured at amortized cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets

Financial assets at amortized cost are subsequently measured at amortized cost using effective interest method. The amortized cost is reduced by impairment losses. Interest income, and impairment are recognized in Statement of profit and loss. Any gain and loss on De-recognition is recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On De-recognition, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses changes in fair value recognized in other comprehensive income and accumulated in there serves. The cumulative gain or loss is not reclassified to Statement of profit and loss on disposal of the investments. These investments in equity are held for trading. But not held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designated as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, in Statement of profit and loss.

c) Financial liabilities and equity instruments:

Classification as debt or equity –

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments –

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an Equity transactions are recognized as a deduction from equity.

Financial liabilities –

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expenses are recognized in Statement of profit and loss. Any gain or loss on DE recognition is also recognized in Statement of profit and loss.

d) Financial guarantee contracts:

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 18 - Revenue.

e) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

f) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g) Derivative financial instruments

The Company enters into derivative financial instruments, primarily forward contracts of equity. Derivatives are initially recognized at fair value at the date the contracts are entered into and are subsequently premeasured to their fair value at the end of each reporting period. The resulting gain/loss is recognized in Statement of profit and loss.

i) Impairment of financial instruments-

Equity instruments are not subject to impairment under Ind AS 109.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired.

The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the balance sheet.

j) Collateral repossessed –

Based on operational requirements, the Company's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category for capitalization at their fair market value.

In the normal course of business, the Company does not physically repossess assets/properties in its loan portfolio, but also engages external agents to repossess and recover funds, generally by selling at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the assets/ properties under legal repossession processes are not separately recorded on the balance sheet.

k) Write offs –

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the Company determines that the debtor/borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be

subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in Statement of profit and loss.

2.11 Employee benefits:

a) Short-term employee benefits-

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

b) Contribution to provident fund, ESI and Gratuity-

The company is yet to get covered under the scheme as to PF and ESI. The gratuity liability is determined on actual basis.

2.12 Finance costs:

Finance costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortized cost. Finance costs are charged to the Statement of profit and loss.

2.13 Taxation - Current and deferred tax:

Income tax expense comprises of current tax and deferred tax. It is recognized in Statement of profit and loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

a) Current tax:

Current tax comprises amount of tax payable in respect of the taxable income or loss for the year determined in accordance with Income Tax Act, 1961 and any adjustment to the tax payable or receivable in respect of previous years. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

b) Deferred tax:

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary difference could be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2.14 Impairment of assets other than financial assets:

The Company reviews the carrying amounts of its tangible and intangible assets at the end of each reporting period, to determine whether there is any indication that those assets have impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Recoverable amount is determined for an individual asset, unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the

revised estimate of its recoverable amount such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized for the asset (or cash-generating unit) in prior years. The reversal of an impairment loss is recognized in Statement of profit and loss.

2.15 Provisions:

Provisions are recognized when there is a present obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.16 Leases:

Where the Company is the lessee –

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of profit and loss. Since the lease period are of 11 months only without certainty to extend hence no additional adjustment are made as per Accounting standards.

2.17 Cash and cash equivalents:

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques and drafts on hand, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of change in value.

2.18 Earnings per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends, if any and any attributable tax thereto for the period.

The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc. that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue equity shares were exercised or converted during the year.

2.19 Recent Accounting Developments

Ministry of Corporate Affairs (MCA), vide notification dated 31st March, 2023, has made the following amendments to Ind AS which are effective 1st April, 2023:

- a. Amendments to Ind AS 1 - Presentation of Financial Statements where the companies are now required to disclose material accounting policies rather than their significant accounting policies.
- b. Amendments to Ind AS 8 - Accounting policies, Changes in Accounting Estimates and Errors where the definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'.
- c. Amendments to Ind AS 12 - Income Taxes where the scope of Initial Recognition Exemption (IRE) has been narrowed down.

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

FINANCIAL ASSETS

(Rs. In Lakhs)

NOTE 3: CASH & CASH EQUIVALENTS

March 31, 2023

March 31, 2022

Cash on hand	0.11	0.10
Balances with Scheduled Banks In Current Accounts		
AU Small Finance Bank	111.05	-
Kotak Mahindra Bank	0.01	22.15
Punjab National Bank	0.13	0.15
	111.30	22.40

NOTE 4: TRADE RECEIVABLES

(A) Secured, Considered Good	-	-
Less: Impairment Loss Allowance	-	-
(B) Unsecured, Considered Good	5.69	-
Less: Impairment Loss Allowance	-	-
	5.69	-

March 31, 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables						
(a) considered good	-	5.69	-	-	-	5.69
(b) which have significant increase in credit risk	-	-	-	-	-	-
(c) credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
(a) considered good	-	-	-	-	-	-
(b) which have significant increase in credit risk	-	-	-	-	-	-
(c) credit impaired	-	-	-	-	-	-
Total		5.69	-	-	-	5.69

March 31, 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed Trade receivables						
(a) considered good	-	-	-	-	-	-
(b) which have significant increase in credit risk	-	-	-	-	-	-
(c) credit impaired	-	-	-	-	-	-
Disputed Trade receivables						
(a) considered good	-	-	-	-	-	-
(b) which have significant increase in credit risk	-	-	-	-	-	-
(c) credit impaired	-	-	-	-	-	-
Total		-	-	-	-	-

NOTE 5: LOANS

(A) Loans		
(i) Bills Purchased and Bills Discounted	-	-
(ii) Loans repayable on Demand	-	-
(iii) Term Loans	-	-
(iv) Leasing	-	-
(v) Factoring	-	-
(vi) Others (to be specified)	-	-
Total (A) - Gross	-	-
Less: Impairment loss allowance		
(B) (i) Secured by tangible assets	-	-
(ii) Secured by intangible assets	-	-
(iii) Covered by Bank/Government Guarantees	-	-
(iv) Unsecured	-	-
Total (B)-Gross	-	-
Less: Impairment loss allowance	-	-
Total (B)- Net	-	-
(C) (I) Loans in India		
(i) Public Sector	-	-
(ii) Others	7749.01	2542.24
Total (C)- Gross	7749.01	2542.24
Less: Impairment loss allowance		-
Total (C) (I) - Net	7749.01	2542.24
(C) (II) Loans outside India		-
Less: Impairment loss allowance		-
Total (C) (II) - Net	7749.01	2542.24
Total C(I) and C(II)	7749.01	2542.24

NOTE 6: INVESTMENTS
Investments measured at Fair Value through Other Comprehensive Income
In Equity Shares of Other Companies

Quoted, Fully paid up		
Investments	388.86	2.76
	388.86	2.76

NOTE 7: OTHER FINANCIAL ASSETS

Income Tax Refundable	25.09	6.92
TCS	1.24	-
TDS (A.Y.2023-2024)	27.19	20.09
	53.51	27.01

NOTE 6: INVESTMENT

(Rs. in Lakhs)

Particulars	Current Year						Previous Year					
	At Fair Value						At Fair Value					
	Amortised Cost	Other Comprehensive Income	Through profit or loss	Sub Total	Others	Total	Amortised Cost	Other Comprehensive Income	Through profit or loss	Sub Total	Others	Total
	(1)	(2)	(3)	(4)=(2)+(3)	(5)	(6)=(1)+(4)+(5)	(8)	(9)	(10)	(11)=(9)+(10)	(12)	(13)=(8)+(11)+(2)
Mutual funds												
Government securities												
Other approved securities												
Debt securities												
Equity instruments		76.74		76.74		76.74		3.51	-0.74	2.76		2.76
Subsidiaries												
Associates												
Joint Ventures												
Others		312.12										
Total – Gross (A)		388.86		388.86		388.86		3.51	- 0.74	2.76		2.76
(i) Investments outside India												
(ii) Investments in India		388.86		388.86		388.86		3.51	- 0.74	2.76		2.76
Total (B)		388.86		388.86		388.86		3.51	- 0.74	2.76		2.76
Total (A) to tally with (B)												
Less: Allowance for Impairment loss (C)												
Total – Net D= (A) - (C)		388.86		388.86		388.86		3.51	- 0.74	2.76		2.76

(Rs in Lakhs)

NOTE 8: DEFERRED TAX ASSETS (NET)

	March 31, 2023	March 31, 2022
Deferred Tax Asset	(0.76)	(0.78)
Less : Deferred Tax Liability	2.27	0.02
	1.51	(0.76)

March 31, 2023

Deferred tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in statement of Profit and Loss	Recognised in statement of OCI	Closing Balance
Allowance for doubtful debts and advances	-	-	-	-
Impact of 43B Disallowances	-	-	-	-
Long Term capital Loss on sale of Equity Instrument	-	-	-	-
Difference between WDV as per books and Income Tax	(0.76)	2.27	-	1.51
Total	(0.76)	2.27	-	1.51

March 31, 2022

Deferred tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in statement of Profit and Loss	Recognised in statement of OCI	Closing Balance
Allowance for doubtful debts and advances	-	-	-	-
Impact of 43B Disallowances	-	-	-	-
Long Term capital Loss on sale of Equity Instrument	-	-	-	-
Difference between WDV as per books and Income Tax	(0.78)	0.02	-	(0.76)
Total	(0.78)	0.02	-	(0.76)

NOTE 10: OTHER NON-FINANCIAL ASSETS

Secured, Considered Good	-	-
Unsecured, Considered Good		
Rental Advance	2.00	1.00
Capital Advance	100.00	-
Share Application Money	550.0	-
Brokers Account	42.18	-
Margin Account	53.13	-
Others		
Preliminary Expenses	-	0.28
Less:- Written Off During The Year	-	0.28
	-	-
	747.31	1.00

(Rs in Lakhs)

NOTE 11: PAYABLES

	March 31, 2023	March 31, 2022
(I) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(II) Other Payables		
i) total outstanding dues of micro enterprises and small enterprises	-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	20.63	8.62
	20.63	8.62

Trade Payables ageing schedule as on March 31, 2023

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME						
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
Disputed dues –						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-

Trade Payables ageing schedule as on March 31, 2022

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
MSME						
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-
Disputed dues –						
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-

NOTE 12: BORROWINGS

At Amortised Cost		
(i) Term Loans	-	-
(ii) Loans from Related Parties	-	-
(iii) Loans repayable on Demand	-	-
(iv) Secured	-	-
(v) Unsecured		
a) Other Parties	2996.82	890.69
A. Borrowings in India	2996.82	890.69
B. Borrowings Outside India	-	-
	2996.82	890.69

(Rs in Lakhs)

NOTE 13: PROVISIONS

	March 31, 2023	March 31, 2022
Others:		
Provision for Non-Performing Assets	23.50	5.00
Contingent Provisions against Standard Assets	19.50	9.50
	43.00	14.50

NOTE 14: OTHER NON FINANCIAL LIABILITIES

Statutory Dues & Taxes Payable		
TDS Payable	4.33	7.50
	4.33	7.50

NOTE 15: EQUITY SHARE CAPITAL**15.1 Authorised, Issued, Subscribed and Paid up Capital****a. Authorised Capital**

8,25,00,000 Equity Shares of Rs 2/- each	1650.00	1650.00
24,75,00,000 Equity Shares of Rs. 2/- each	4950.00	-

b. Issued, Subscribed and Paid up Capital

8,25,00,000 Equity Shares of Rs 2/- each	1650.00	1650.00
24,75,00,000 Equity Shares of Rs. 2/- each	4950.00	-

15.2 Reconciliation of number of Equity Shares Outstanding

		<i>(in Nos.)</i>
Shares Outstanding at the beginning of the year	8,25,00,000	8,25,00,000
Add: Shares Issued during the year	24,75,00,000	-
Shares Outstanding at the end of the year	33,00,00,000	8,25,00,000

15.3 Shareholders holding more than 5 % Equity Shares

Name of the Shareholders	Nos	(%)	Nos	(%)
Kalashdhan Barter Private Limited	25000000	(7.58)	-	
Woodland Retails Private Limited	25000000	(7.58)	-	
N S Longia Parivahan Private Limited	25000000	(7.58)	-	
Shristidata Distributors Private Limited	25000000	(7.58)	-	
Ambashree Distributors Private Limited	25000000	(7.58)	-	
Waybroad Trading Private Limited	25000000	(7.58)	-	
Aryadeep Infrahomes Private Limited	25000000	(7.58)	-	
Nexus Niwas Private Limited	25000000	(7.58)	-	
Arrowspace Advisors Private Limited	25000000	(7.58)	-	
Phagun Enterprises Private Limited	22500000	(6.82)	-	

(Rs in Lakhs)

15.4 Shareholding of Promoters	March 31, 2023		March 31, 2022	
Name	Nos	(%)	Nos	(%)
Not Applicable	-		-	

NOTE 16: OTHER EQUITY

16.1 Securities Premium		
Opening Balance	100.00	100.00
Less: Issue of Bonus Shares	-	-
Closing Balance	100.00	100.00
16.2 Statutory Reserve:		
Opening Balance	23.52	23.52
Add: Addition during the year	-	-
Closing Balance	23.52	23.52
16.3 Profit & Loss Account:		
Opening Balance	(78.89)	(74.84)
Add : Profit for the Year	(497.41)	(4.05)
Less : Transferred to Statutory Reserve		
Closing Balance	(576.30)	(78.89)
16.4 Other Comprehensive Income:		
Opening Balance	(18.92)	(18.17)
Add : Movement in OCI (Net) during the year	4.27	(0.74)
	(14.64)	(18.91)
	(467.41)	25.72

Other Equity

Description of the nature and purpose of Other Equity:

Retained earnings

Retained earnings or accumulated surplus represents total of all profits retained since Company's inception. Retained earnings are credited with current year profits, reduced by losses, if any, dividend payouts, transfers to General reserve or any such other appropriations to specific reserves.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

Statutory reserve

Statutory reserve represents reserve fund created pursuant to Section 45-IC of the RBI Act, 1934 through transfer of specified percentage of net profit every year before any dividend is declared. The reserve fund can be utilized only for limited purposes as specified by RBI from time to time and every such utilization shall be reported to the RBI within specified period of time from the date of such utilization.

(Rs in Lakhs)

NOTE 17: INTEREST INCOME

	March 31, 2023	March 31, 2022
Interest Income	274.56	230.08
Bank Interest	0.14	0.08
	274.71	230.16

NOTE 18: FINANCE COSTS

Interest Expense	30.72	68.25
Bank Charges	0.68	0.03
	30.73	68.28

NOTE 19: EMPLOYEES BENEFIT EXPENSES

Salaries & Allowances	34.06	43.61
Staff Welfare Expenses	0.68	2.88
	34.74	46.49

NOTE 20: OTHER EXPENSES

Advertisement Expenses	0.08	0.11
Assets Written Off	-	0.00
Audit Fees	-	0.30
Bad Debts	232.50	85.70
Books & Periodicals	-	0.23
Business Promotion Expenses	-	1.94
Electricity Charges	0.06	0.28
General Expenses	-	1.63
Listing Fees	3.65	3.55
Interest Payments	0.83	-
Profit / (Loss) On Trading of Equity Shares (Short Term)	115.86	-
Profit / (Loss) On Trading of Equity Shares (Long Term)	18.09	-
Profit / (Loss) On Trading of Future & Option	172.15	-
Office Expenses	2.09	7.43
Penalty	0.00	-
Preliminary Expenses Written off	-	0.28
Printing and Stationery	0.24	0.04
Professional Fees	21.64	5.63
Provision for Bad & Doubtful Debts	28.50	-
Rates And Taxes	4.59	1.14
Rent Payments	4.86	5.27
Repairs and Maintenance	0.64	1.89
ROC Fees	41.93	0.12
Rounded Off	0.00	-
Share Expenses	25.33	1.25
Telephone Expenses	0.12	0.06
Travelling And Conveyance	1.06	1.00
	674.25	117.87

NOTE 9: PROPERTY, PLANT AND EQUIPMENT (PPE) AND INTANGIBLE ASSETS

(Rs. in Lakhs)

Particulars	PROPERTY, PLANT AND EQUIPMENT						INTANGIBLE ASSETS	
	Computer & Peripherals	Furniture & Fittings	Office Equipments	Plant & Machinery	Vehicles	Total	Intangible Assets	Total
GROSS CARRYING AMOUNT								
Balance as on 31st March 2021	1.62	5.67	0.07	0.70	0.08	8.14	-	-
Additions during the year	0.53	0.08	-	-	-	0.61	-	-
Disposals / deductions during the year	0.00	-	0.00	-	0.02	0.02	-	-
Balance as at 31st March, 2022	2.16	5.74	0.06	0.70	0.06	8.72	-	-
Additions during the year	-	-	0.10	-	144.93	145.03	-	-
Disposals / deductions during the year	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	2.16	5.74	0.16	0.70	144.99	153.75	-	-
ACCUMULATED DEPRECIATION / AMORTISATIONS								
Balance as on 31st March 2021	1.62	5.22	0.06	0.45	0.05	7.40	-	-
Additions during the year	0.05	0.25	-	0.15	0.01	0.44	-	-
Disposals / deductions during the year	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	1.67	5.47	0.06	0.60	0.06	7.86	-	-
Additions during the year	0.39	0.15	0.03	0.06	2.07	2.70	-	-
Disposals / deductions during the year	-	-	-	-	-	-	-	-
Balance as at 31st March, 2023	2.06	5.62	0.09	0.66	2.13	10.56	-	-
NET CARRYING AMOUNT								
As at 31st March, 2022	0.48	0.27	0.01	0.10	-	0.86	-	-
As at 31st March, 2023	0.10	0.12	0.07	0.04	142.86	143.19	-	-

SRESTHA FINVEST LIMITED | 65

NOTE 9: DEPRECIATION

(Rs. in Lakhs)

Particulars	March 31, 2023	March 31, 2022
Depreciation on Property, Plant and Equipment	2.70	0.45
Amortisation and impairment of intangible assets	-	-
Depreciation on Right of Use Asset	-	-
Total	2.70	0.45

Details of PPE and Depreciation Schedule for Income Tax Purposes

Block	Assets	W.D.V. as on 01-Apr-22	Additions during the year			Deletions /Transfer during the year	Total	Depreciation Rate	Depreciation for the year	W.D.V. as on 31-Mar-23
			above 180 days	below 180 days	Total					
1	Furniture & Fittings	2.79	-	-	-	-	2.79	10%	0.28	2.51
2	Cash Counting Machine	0.03	-	-	-	-	0.03	15%	0.00	0.02
3	Air Conditioner	0.41	-	-	-	-	0.41	15%	0.06	0.35
4	Computer	0.50	-	-	-	-	0.50	40%	0.20	0.30
5	Steel Cabinet	0.08	-	-	-	-	0.08	15%	0.01	0.06
6	Two Wheeler	-	-	-	-	-	-	15%	-	-
7	Car	-	-	144.93	144.93	-	144.93	15%	10.87	134.06
	Total	3.80	-	144.93	144.93	-	148.72		11.42	137.30

SRESTHA FINVEST LIMITED | 66

NOTE: FINANCIAL INSTRUMENTS – FAIR VALUE DISCLOSURES

The management has assessed that the carrying amounts of financial assets such as trade receivables, loans, cash and cash equivalents and financial liabilities like borrowings, trade payables recognised in the financial statements approximate their fair values. With respect to the investment in unquoted shares, the Company has availed the services of a professional valuer and performed fair valuation.

March 31, 2023

Description	Carrying Amount				Fair value hierarchy
	Amortised cost	FVTPL	FVTOCI	Total	
A. Financial Assets					
Investments	-	-	388.86	388.86	Level 1
Loans	7749.01	-	-	7749.01	NA
Trade receivables	5.69	-	-	5.69	NA
Cash and cash equivalents	111.30	-	-	111.30	NA
Other bank balances	-	-	-	-	NA
Other financial assets	53.51	-	-	53.51	NA
B. Financial Liabilities					
Borrowings	2996.82	-	-	2996.82	NA
Trade payables	-	-	-	-	NA
Other financial liabilities	24.96	-	-	24.96	NA

March 31, 2022

Description	Carrying Amount				Fair value hierarchy
	Amortised cost	FVTPL	FVTOCI	Total	
A. Financial Assets					
Investments	-	-	2.76	2.76	Level 1
Loans	2542.24	-	-	2542.24	NA
Trade receivables	-	-	-	-	NA
Cash and cash equivalents	22.39	-	-	22.39	NA
Other bank balances	-	-	-	-	NA
Other financial assets	27.01	-	-	27.01	NA
B. Financial Liabilities					
Borrowings	890.69	-	-	890.69	NA
Trade payables	-	-	-	-	NA
Other financial liabilities	16.12	-	-	16.12	NA

(Rs. in Lakhs)

21. TAX EXPENSE**Income Tax Expense**

Particulars	March 31, 2023	March 31, 2022
Income Tax recognised in profit or loss		
Current Tax		
In respect of current year		-
In respect of prior years	27.43	1.48
Total (A)	27.43	1.48
Deferred tax		
In respect of current year origination and reversal of temporary differences	2.27	0.02
In respect of prior years	-	-
Total (B)	2.27	0.02
Income Tax expense recognised in the statement of Profit and Loss (A+B)	29.70	1.50

Income Tax recognised in Other Comprehensive Income (OCI)

Particulars	March 31, 2023	March 31, 2022
Deferred tax related to items recognised in OCI during the year		
Remeasurement of defined employee benefits	-	-
Net gain / (loss) on equity instruments through OCI	4.27	-
Total Income tax recognised in other comprehensive income	4.27	-

Reconciliation of tax expense and the accounting profit for the year is as follows:

Particulars	March 31, 2023	March 31, 2022
Profit before tax	(467.71)	(2.55)
Expected Income Tax	-	-
Adjustment related to Tax of earlier years	27.43	1.48
Effect of expenses that are deductible in determining taxable profit	2.27	0.02
Effect of lower tax rates for longer term capital gain	-	-
Others	-	-
Reported Tax Expense	29.70	1.50
Effective Tax Rate	NA	NA

Note: Effective Tax rate mentioned as "NA" since PBT figure is Negative.**22. EARNINGS PER SHARE (EPS)**

(In Rs.)

Particulars	March 31, 2023	March 31, 2022
Profit after Tax	(4,97,40,885)	(4,05,113)
Weighted No. of Basic Equity Shares	8,25,00,000	8,25,00,000
Weighted No. of Dilutive Equity Shares	33,00,00,000	8,25,00,000
Earnings per share (Basic) (Face value of Rs. 2/- per share)	(0.603)	(0.005)
Earnings per share (Diluted)	(0.151)	(0.005)

23. SEGMENT INFORMATION

The company is engaged in two segments, financing and investment activities and is in line with the accounting standard on segment reporting.

Segment wise Revenue, Results, Assets and Liabilities	(Rs. In Lakhs)	
	March 31, 2023	March 31, 2022
1. Segment Revenue		
(a) Lending Division	274.56	-
(b) Investment/Trading in Equity and F&O	-	-
Net sales/Income From Operations	274.56	-
2..Segment Results (Profit)(+)/Loss(-) before tax from Each segment)		
(a) Lending Division	(151.61)	-
(b) Investment/Trading in Equity and F&O	(306.10)	-
Total Profit Before Tax	(457.71)	-
3. Segment Assets		
(a) Lending Division	8767.84	-
(b) Investment/Trading in Equity and F&O	431.04	-
(c) Inter Segment Assets	-	-
Total Segment Assets	9198.88	-
4. Segment Liabilities		
(a) Lending Division	3066.29	-
(b) Investment/Trading in Equity and F&O	-	-
(c) Inter Segment Liabilities	-	-
Total Segment Liabilities	3066.29	-

24. FINANCIAL RISK MANAGEMENT FRAMEWORK

In the course of its business, the Company is exposed to certain financial risks namely credit risk, interest risk & liquidity risk. The Company's primary focus is to achieve better predictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the risk management framework as approved by the Board of Directors of the Company. The credit risk is managed through credit norms established based on historical experience.

24.1 Market Risk

Market Risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, etc. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while maximizing the return.

a) Pricing Risk

The Company's Investment in Equity is exposed to pricing risk

25. DETAILS OF RELATED PARTY TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL (KMP) ARE AS UNDER:

Key management personnel are those individuals who have the authority and responsibility for planning and exercising power to directly or indirectly control the activities of the Company or its employees. The Company considers its Whole time Director, Company Secretary and Chief Financial Officer to be key management personnel for the purposes of IND AS24 Related Party Disclosures.

(Rs. in Lakhs)					
S.No.	Name of the Party	Relation	Nature of Transaction	2022-23	2021-22
1.	Mr. Sunil Bhandari	KMP - Whole Time Director	Directors Salary	18.00	2.36
2.	Mr. Jitendra Kumar A. Bafna	KMP - Company Secretary	Salary	2.40	2.40
3.	Ms. Sneha Bhandari	Relative of Wholetime Director	Interest	9.90	2.17

26. KEY RATIOS

Type of Ratios	2022-23	2021-22	% Variance	Reason for Variance greater than 25%
Current Ratio	2.61	2.81	- 0.20	No Major Variance
Debt Equity Ratio	0.49	1.55	- 1.06	No Major Variance
Net capital Turnover Ratio	0.05	0.14	- 0.09	No Major Variance
Trade Receivable Turnover Ratio	96.58	0.00	96.58	Due to increased deployment of funds, there is increase in receivables
Net Profit Ratio	- 1.81 %	- 1.76 %	- 0.05 %	No Major Variance
Debt service Coverage Ratio	-7.17 %	94.72 %	- 10.49 %	No Major Variance
Return on Equity	- 7.63 %	- 0.24 %	- 7.39 %	No Major Variance
Return on capital Employed	- 3.58 %	3.92 %	- 7.50 %	No Major Variance
Return on Investment	174.55 %	0.00 %	174.55 %	Due to improved business conditions there's increase in ROI

27. OTHER DISCLOSURES:

- No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- The company does not have any investments through more than two layers of investment companies as per section 2 (87) and section 186 of Companies Act, 2013
- The Company has not borrowed any funds from Banks/FI.
- The Company does not have any immovable properties hence question of title deeds in company name does not arise.
- The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.

- h) The company has not made any Transactions with Struck off Companies.
- i) The company doesn't have any scheme of arrangements to disclose during the year 2022-23.
- j) Utilisation of Borrowed funds and share premium:
- A. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall –
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- B. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall –
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- k) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- l) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

28. PRESENTATIONS OF PREVIOUS YEAR'S FIGURES

Previous year's figures have been regrouped / reclassified / rearranged wherever necessary to bring them in conformity with the current year's figures.

Signatures to Notes 1 to 28
As per our Report of even date
For Darpan & Associates
Chartered Accountants
Firm Reg. No. 0161565

For and on behalf of the Board of Directors of Srestha Finvest Limited

Sd/-
Darpan Kumar
Partner
M. No. 235817


Sd/-
Sunil Bhandari
Wholetime Director /CFO
DIN: 03120545

Sd/-
Mayurdwajsinh Sahadevsinh Rana
Director
DIN: 09234993

Sd/-
Jitendra Kumar A Bafna
Company Secretary

Chennai
May 30, 2023

SRESTHA FINVEST LIMITED						
CIN: L65993TN1985PLC012047						
Regd. Office: Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, Chennai - 600003						
Statement of Standalone Un-audited Financial Results for the Quarter and Nine Months Ended 31.12.2023						
e mail: srestha.info@gmail.com Website: www.srestha.co.in Tel: 044-40057044						
Particulars	(Rs. in Lakhs)					
	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Un Audited)	(Audited)
I. Income from Operations						
i) Interest Income	236.18	172.83	120.13	621.16	204.88	274.56
ii) Dividend Income	7.07	0.00	0.00	7.07	0.00	0.00
iii) Rental Income	0.00	0.00	0.00	0.00	0.00	0.00
iv) Fees and Commission Income	0.00	0.00	0.00	0.00	0.00	0.00
v) Net gain in trading of Future & Options	0.00	37.38	0.00	37.38	0.00	0.00
v) Net gain on trading of shares	92.50	0.00	0.00	108.17	0.00	0.00
ii) Total Revenue from operations	335.76	210.21	120.13	773.77	204.88	274.56
iii) Other Income	6.46	0.08	0.13	6.93	0.14	0.14
III) Total Income (i) + (ii)	342.21	210.24	120.27	780.71	205.02	274.71
Expenses						
i) Finance Costs	127.00	134.93	15.93	360.82	16.38	30.73
ii) Fees and Commission expense	7.74	44.19	3.27	66.48	17.81	25.29
iii) Impairment on Financial Instruments	0.00	0.00	0.00	0.00	0.00	0.00
iv) Employee Benefit Expenses	8.18	4.42	9.54	19.08	26.05	34.74
v) Depreciation, Amortisation and Impairment	16.89	10.29	0.16	37.47	0.47	2.70
v) Loss in trading of shares	0.00	24.62	11.79	24.62	12.79	133.95
vii) Loss in trading of Future & Options	117.89	0.00	0.00	153.33	0.00	172.15
viii) Bad Debts	0.00	0.00	0.00	0.00	0.00	232.50
ix) Provision for NPA	0.00	239.50	0.00	239.50	18.75	18.50
x) Other Expenses	110.65	81.99	110.91	211.11	116.41	81.86
IV) Total Expenses	388.35	540.13	152.61	1112.35	208.67	732.42
V) Profit before tax (III) - (IV)	-46.14	-329.89	-32.34	-331.65	-3.64	-457.71
VI) Tax Expense:						
i) Current Tax/Short Provision of Previous year	0.35	0.00	0.00	0.35	27.40	27.43
ii) Deferred Tax	0.00	0.00	0.00	0.00	0.00	2.27
iii) Provision Against Standard Assets	0.00	0.00	0.00	0.00	0.00	10.00
VII) Profit for the period (V) - (VI)	-46.49	-329.89	-32.34	-332.00	-31.04	-497.41
VIII) Other Comprehensive Income (OCI)						
A) i) Items that will not be reclassified to profit or loss						
- Remeasurement loss on defined benefit plans	0.00	0.00	0.00	0.00	0.00	0.00
- Net gain on equity instruments through OCI	775.38	394.92	1.83	1173.58	1.83	4.27
(iii) Income tax relating to the above items	-135.46	-68.99	0.00	-204.83	0.00	0.00
Subtotal (A)	639.93	325.92	1.83	968.76	1.83	4.27
B) ii) Items that will be reclassified to profit or loss						
- Net gain on debt instruments through OCI	0.00	0.00	0.00	0.00	0.00	0.00
(iii) Income tax relating to the above items	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal (B)	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income (A + B)	639.93	325.92	1.83	968.76	1.83	4.27
[X] Total Comprehensive Income for the period (VII+VIII)	593.44	-3.67	-30.51	636.76	-29.21	-493.13
[XI] Paid - up equity share capital (Face Value of the share Rs.2/- each)	11600.00	11600.00	1650.00	11600.00	1650.00	6600.00
[XII] Earnings per equity share (Face value of Rs.2/- each) (not annualised)						
Basic (Rupees)	-0.008	-0.057	-0.039	-0.057	-0.038	-0.603
Diluted (Rupees)	-0.008	-0.057	-0.039	-0.057	-0.038	-0.151
NOTES:						
1. The above Standalone financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS') as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Ind AS) Rules, as amended from time to time, directions/ guidelines issued by the Reserve Bank of India ('RBI') and other recognized accounting practices generally accepted in India. The above Standalone financial results are in compliance with Regulation 33 of the SEBI (LODR) Regulations, 2015, as amended.						
2. The above Unaudited results were reviewed by the Audit Committee and were approved by the Board of Directors of the company at its meeting held on 14th February, 2024.						
3. The Company is engaged into two segment, Financing and Investments Activities.						
4. The Company has carried out the assessment of Impairment of Asset as defined in IND AS. The impairment in case of investments shall be done on year end basis.						
5. The Company has not provided Interest of Rs.51.19 Lakhs on borrowings for one of the parties due to ongoing dispute as to interest and claim repayment. The company has sought opinion for legal opinion against the claim and shall proceed according to the legal advice.						
6. The Company has not declared any Interim dividend for the fiscal year.						
7. The Figures have been re-grouped, re-arranged, re-classified, wherever considered necessary to present better comparison.						
Place: Chennai Date: 14.02.2024	<div style="text-align: right;">  Sunil Bhandari <small>Digital Sign of the Srestha Finvest Limited 20240214 09:57</small> SUNIL BHANDARI Whole Time Director DIN: 03120545 </div>					

SRESTHA FINVEST LIMITED CIN: L65993TN1985PLC012047 Regd. Office: Door No. 19 & 20, General Muthiah Mudali Street, Sowcarpet, Chennai - 600003 e mail: srestha.info@gmail.com Contact No.: 044-40057044 Segment wise Revenue, Results, Assets and Liabilities for the Quarter ended 30th September 2023						
(Rs. in Lakhs)						
Particulars	Quarter Ended			Half Year Ended		Year ended
	30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
	Unaudited	UnAudited	Unaudited	Unaudited	Unaudited	Audited
1. Segment Revenue (net sale/income from each segment should be disclosed under this head)						
(a) Lending Division	172.83	212.14	28.96	384.98	84.75	274.564
(b) Investment/Trading in Equity and F&O	37.38	15.66	0.00	15.66	0.00	-
Net sales/Income From Operations	210.21	227.80	28.96	400.64	84.75	274.564
2. Segment Results (Profit)(+)/ Loss (-) before tax from Each segment						
(a) Lending Division	-267.98	63.67	-13.60	-193.75	28.70	-151.612
(b) Investment/Trading in Equity and F&O	-61.91	-19.77	0.00	-92.25	0.00	-306.100
(c) Unallocable	-	-	-	-	-	-
Total Profit Before Tax	-329.89	43.90	-13.60	-285.99	28.70	-457.712
3. Segment Assets						
(a) Lending Division	15,591.94	14439.74	2,849.68	15,591.94	2,849.68	8767.837
(b) Investment/Trading in Equity and F&O	3,369.34	780.18	-	3,369.34	-	431.042
(c) Unallocable	-	-	-	-	-	-
Total Segment Assets	18961.28	15219.92	2849.68	18961.28	2849.68	9198.879
4. Segment Liabilities						
(a) Lending Division	7,728.60	8801.71	1,172.66	7,728.60	1,172.66	3066.29
(b) Investment/Trading in Equity and F&O	57.26	18.90	-	57.26	-	-
(c) Unallocable	-	-	-	-	-	-
Total Segment Liabilities	7785.86	8820.61	1172.66	7785.86	1172.66	3066.29
4. Capital Employed						
(a) Lending Division	7,863.34	5701.55	1,677.02	7,863.34	1,677.02	5,701.55
(b) Investment/Trading in Equity and F&O	3,312.08	431.04	-	3,312.08	-	431.04
Capital Employed	11175.42	6132.59	1677.02	11175.42	1677.02	6132.59
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div> Place :- Chennai Date :- 14-11-2023 </div> <div style="text-align: center;">  </div> <div> For and on behalf of the Board For Srestha Finvest Limited Sunil Bhandari Digitally signed by Sunil Bhandari Date: 2023.11.14 16:03:19 +05'30' Sunil Bhandari Wholetime Director DIN: 03120545 </div> </div>						



DARPAN & ASSOCIATES

CHARTERED ACCOUNTANT

#11/2, Shyam Avenue, College Road, Nungambakkam, Chennai – 600006

Email: darpanassociates@gmail.com

Limited Review Report

The Board of Directors of **Srestha Finvest Limited**

We have reviewed the accompanying statement of unaudited standalone financial results of **Srestha Finvest Limited** ("the Company") for the quarter and nine months ended **31st December 2023** attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (listing obligations and Disclosure requirements) Regulations, 2015, as amended to date, read with SEBI circular no. CIR/CFD/CMD1/ 80 /2019 dated July 19, 2019.

The Statement is the responsibility of the Company's Management and has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on these financial results based on our review of the financial results for the quarter and nine months ended December 31, 2023 which is prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" specified under Section 133 of the Companies Act, 2013 (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India; and the relevant requirements of the Regulation and the Circular.

We conducted our review 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. The review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Based on information provided to us by management, the company has not provided Interest of Rs.51.19 Lakhs on borrowings from Arcadia Shipping Ltd. The company has received letters from Arcadia shipping Ltd recalling the Interest and Loan outstanding. Based on the explanation given to us, the company has not given response for the same and is exploring legal options. As per Ind AS and Generally Accepted Accounting Principles, accounting policies adopted for annual accounts are to be followed for Interim Financials. Non-provision of the Interest has resulted in decrease in Finance Cost for the Quarter and Nine months ended 31.12.2023 to the extent of Rs.17.07 Lakhs and Rs.51.19 Lakhs respectively, and decrease in Loss after Tax for the Quarter and Nine months ended 31.12.2023 to that extent.

Qualified Conclusion:

Based on our review conducted as above, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying



DARPAN & ASSOCIATES

CHARTERED ACCOUNTANT

#11/2, Shyam Avenue, College Road, Nungambakkam, Chennai – 600006

Email: darpanassociates@gmail.com

statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended to date, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Darpan & Associates
ICAI Firm Registration No. 0161565
Chartered Accountants

Kawat

Darpan Kumar
Partner

Membership No. 235817

UDIN: 24235817BKFAYA2971

Place : Chennai

Date : February 14, 2024



ACCOUNTING RATIOS

"The following tables present certain accounting and other ratios compared on the basis of the Audited Financial Information. For details, see "Financial Statements" on page 86."

Accounting Ratios:

Particulars	Based on Financial Statements		
	Quarter ended December 31,2023	March 31, 2023	March 31, 2022
Basic earnings per share (₹) (for continued operations)	(0.057)	(0.603)	(0.005)
Diluted earnings per share (₹) (for continued operations)	(0.057)	(0.151)	(0.005)
Return on Net Worth (%)	(0.003)	(8.11)%	(0.24)%
Net Asset Value per Equity Share (₹)	1.03	1.86	2.03
EBITDA (₹in lakhs)	(29.25)	(434.29)	66.25

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

Basic earnings per share	Net profit /(Loss) after Tax as per statement of profit and loss at to Equity Shareholders (after adjusting non controlling interest) after exceptional item ,as applicable/ weighted Average number of Equity Shares.
Diluted earnings per share	Net Profit/(Loss) after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) after exceptional item, as applicable/Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit /(Profit/(Loss) for the Year as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income)/Networth at the end of the year on basis.
Net Worth as per 2(1)(hh) SEBI (ICDR) Regulations, 2018	Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
Net asset value per Equity Share	Net Worth on consolidated basis divided by the number of Equity Shares outstanding for The year.
EBITDA	Profit/(Loss) for the year before finance costs, tax, depreciation, amortization, and Exceptional items as presented in the Consolidated Statement of Profit and Loss.

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Audited Financial Statements		
	Quarter ended December 31,2023	March 31,2023	March 31,2022
Net Profit after Tax (before OCI)(A)	(46.49)	(497.41)	(4.05)
Net Worth(B)*	12008.79	6132.58	1675.71
Return of Net Worth (A/B)(%)	(0.003)	(8.11)%	(0.24)%

*Net Worth as per 2(1)(hh) of SEBI (ICDR) Regulations,2018

Calculation of Net asset value per Equity Share

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Audited Financial Statements		
	Quarter ended December 31,2023	March 31, 2023	March 31, 2022
Net Worth (A)(₹ in lakhs)	12008.79	6132.58	1675.71
No. of Shares(B)(in numbers)	1160000000	330000000	82500000
Net Assets Value [(A x 100,000)/B]	1.03	1.86	2.03

Calculation of EBITDA

(In ₹ lakhs, unless otherwise specified)

Particulars	Based on Audited Financial Statements		
	Quarter Ended December 31,2023	March 31,2023	March 31, 2022
Net Profit/(Loss)after Tax	(46.49)	(497.41)	(4.05)
Add: Taxes	0.35	29.70	1.50
Add: Interest	0	30.72	68.25
Add: Depreciation	16.89	2.70	0.45
Add: Exceptional Items	-	-	-
EBITDA	(29.25)	(434.29)	66.25

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

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 year ended March 31, 2023 and unaudited financial result for quarter ended 31st December 2023, all prepared in accordance with the Companies Act and Ind AS, including the schedules, annexure and notes thereto and the reports thereon, included in the section titled "Financial Statements" on page 86 of this Draft Letter of Offer. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Financial Statements of our Company.

This discussion contains forward looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward Looking Statements" on pages 27 and 21 respectively, of this Draft Letter of Offer.

Our financial year ends on March 31 of each year, so all references to a particular "Financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that financial year. References to the "Company", "we", "us" and "our" in this chapter refer to , as applicable in the relevant period, unless otherwise stated. Unless otherwise indicated or the context requires, the financial information for Financial Year 2023 and unaudited financial result for quarter ended 31st December 2023 included in this Draft Letter of Offer. For further information, see "Financial Statements" and Unaudited Financial Result for the quarter ended December 31, 2023 beginning on page 86.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATION

Our business, financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled 'Risk Factors' on page 27. The following are certain factors that had, and we expect will continue to have, a significant effect on our business, financial condition and results of operations:

- Increasing competition in the Industry;
- Ability to comply with the quality requirement of customers as well as regulatory authorities;
- Changes in government regulations, tax regimes, laws and regulations that apply to the industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in the foreign exchange control regulations, interest rates and tax laws in India.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Audited Financial Statements. For details of our significant accounting policies, please refer chapter titled "Financial Statements" on page 86 of this Draft Letter of Offer

CHANGE IN ACCOUNTING POLICIES

There has been no change in accounting policies during the Financial Year 2023

RESERVATIONS, QUALIFICATION AND ADVERSE REMARK / OTHER OBSERVATION IN CARO

The following is the summary of qualifications/reservations/emphasis of matters/adverse remarks/other observations in CARO (as applicable) in the Audited Financial Statements for the Financial Year 2022-2023 and Quarter ended December 31, 2023.

Period	Type of Financials	Qualifications/ Reservations/ Matter of Emphasis/ Adverse Remarks/ Other Observations in CARO
Financial Year 2023 and Quarter ended December 31, 2023	Standalone	<u>Qualifications/Reservations/Adverse Remarks:</u> NIL <u>Matter of Emphasis:</u> NIL

		Other Observations in CARO: NIL
--	--	--

Particulars	PREEVIOUS YEAR F.Y 2021-2022 Amount in Rupees	CURRENT PERIOD F.Y 2022-2023 Amount in Rupees	FOR DECEMBER 2023 Amount in Rupees
INCOME			
I Revenue from Operation	23016760	27470639	33576000
II Other income	38607	-	646000
III. Total Revenue(I+II)	23,055,367	27470639	34221000
IV EXPENSES			
Material Purchase	-	-	
Increase /Decrease in Stock in Trade	-	-	
Employees Benefit Expenses	4649180	3474215	818000
Finance Costs	6828410	3072845	12700000
Other expenses	11787634	67425004	23628000
Depreciation	44852	269761	1689000
Total Expenses	23310077	74241825	38835000
V. PROFIT before exceptional and extraordinary items and tax (III-IV)	(254710)	(46771186)	(4614000)
VI. Profit after extraordinary items and tax(V)	-	-	
VII .Profit before tax	(254710)	(46771186)	(4614000)
VIII Tax Expenses			
1)Current Tax	147769	2742821	35000
2) Deferred Tax	2634	226878	00
Less Adjustment of earlier year			
IX. Profit (loss) for the period from continuing operation	(405113)	(49740885)	(4649000)
X. Profit (loss)for the Discontinuing operations(after tax)	-	-	-

Results of our Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated

Financial Year 2023 compared to Financial Year 2022

Financial Year 2023 compared to quarter and Nine month ended December 31, 2023

Total Revenue

Our total revenue for the Financial Year 2023 was Rs.2,74,70,639/- as compared to ₹2,30,55,367/- for the Financial Year 2022.

Our total revenue for the quarter ended December, 2023 was Rs.3,42,21,000/- as compared to Rs.2,74,70,639/-for the financial year and quarter ended 2023

Revenue from Operations

Our revenue from operations for the Financial Year 2023 was Rs. 2,74,70,639/- as compared to Rs. 2,30,16,760/- for the Financial Year 2022.

Our total revenue from operation the quarter ended December, 2023 was Rs. 3,35,76,000/- as compared to Rs. 2,74,70,639/-for the financial year and quarter ended 2023

Other income

Other income for the Financial Year 2023 was Rs. Nil as compared to Rs. 38,607/-for the Financial Year 2022.

Other income for the quarter ended December, 2023 was Rs. 6,46,000/- as compared to Nil for the Financial year and quarter ended 2023.

Expenses

Our total expenditure for the Financial Year 2023 was Rs.7,42,41,825/- as compared to Rs. 2,33,10,077/-for the Financial Year 2022.

Our total expenditure for the quarter ended December2023 was Rs. 3,88,35,000/- as compared to Rs. 7,42,41,825 /- for the Financial year and quarter ended 2023

Employee benefit expenses

Employee benefit expense for the Financial Year 2023 was Rs. 34,74,215/-as compared to Rs. 46,49,180/-for the Financial Year 2022..

Employee benefit expenses for the quarter ended December2023 was Rs.8,18,000/- as compared to Rs. 34,74,215/-for the Financial year and quarter ended 2023.

Finance cost

Finance cost for the Financial Year 2023 was Rs. 30,72,845/- as compared to Rs 68,28,410for the Financial Year 2022.

Finance Cost for the quarter ended December2023 was Rs. 1,27,00,000/- as compared to Rs. 30,72,845/- for the Financial year and quarter ended 2023

Depreciation

Depreciation for the Financial Year 2023 was Rs. 2,69,761/-as compared to Rs. 44,852/-for the Financial Year 2022.

Depreciation charged for the quarter ended December2023 was Rs. 16,89,000/-as compared to Rs. 2,69,761/- for the Financial year and quarter ended 2023

Other expenses

Other expenses for the Financial Year 2023 were ₹ 6,74,25,004/- as compared to ₹ 1,17,87,634/-for the Financial Year 2022.

Other expenses for the quarter ended December 2023 was Rs. 2,36,28,000/- as compared to Rs. 6,74,25,004 /- for the Financial year and quarter ended 2023

Profit/(loss) before exceptional and extraordinary items and tax share.

Profit/(loss) before exceptional and extraordinary items and tax share .for the Financial Year 2023 was Rs (4,67,71,186/-)as compared to Rs. (2,54,710/-)for the Financial Year 2022.

Profit/(loss) before exceptional and extraordinary items and tax share for the quarter ended December 2023 was Rs.(46,14,000)/- as compared to Rs.(4,67,71,186) /- for the Financial year and quarter ended 2023

Profit after extraordinary items and tax

Profit after extraordinary items and tax for the Financial Year 2023 was Rs(4,97,40,885)/ as compared to Rs. (4,05,113)/-for the Financial Year 2022.

Profit after extraordinary items and tax for the quarter ended December 2023 was Rs.(46,49,000)/- as compared to Rs.(4,97,40,885)/- for the Financial year and quarter ended 2023

Profit/(loss) before Tax

The profit/(loss) before tax for the Financial Year 2023 was (4,67,71,186)/-as compared to Rs. (2,54,710)/-for the Financial Year 2022.

Tax expenses

The profit/(loss) before tax for the quarter ended December 2023 was Rs. 29,69,699/- as compared to Rs. 35,000/- for the Financial year and quarter ended 2023

Unusual or Infrequent Events or Transactions

Other than as described in this Draft Letter of Offer, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Significant dependence on a Single or Few Suppliers or Customers

Other than as described in this Draft Letter of Offer, particularly in chapter titled “Risk Factors” on page 27, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Related Party Transactions

For details, please refer to the chapter titled “Financial Statements” beginning on page 86 of this Draft Letter of Offer.

Significant developments after March 31, 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 September 31,2023, that may affect our future results of operations.

MATERIAL DEVELOPMENTS

Except as stated elsewhere in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since December 31, 2023, which materially or adversely affect or are likely to affect, within the next 12 months, our operations, performance, prospects or profitability, or the value of our assets or our ability to pay our liabilities.

Appointment of Statutory Auditor:

On 30th September 2023, M/s. Darpan & Associates, Chartered Accountants (Firm Registration No. 016156S), was appointed as statutory auditor of the company for a term of five year 2023-24 to 2027-28.

Increase in authorised capital of the Company :

The authorized capital has been increased through postal ballot dated September 30, 2016 from existing Rs. 6,00,00,000/- (Rupees Six Crores Only) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each to Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- each.

The authorized capital was further increased through postal ballot dated June 22, 2018 from existing Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided into 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 2/- each to Rs. 16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) divided into 8,25,00,000 (Eight Crores Twenty-Five Lakhs) Equity Shares of Rs. 2/- (Rupees Two) each.

Increase the Authorised Share Capital of the Company was further increased through postal ballot dated May 06, 2022 from from Rs. 16,50,00,000/- (Rupees Sixteen Crores Fifty Lakhs Only) divided into 8,25,00,000 (Eight Crores Twenty-Five Lakhs) Equity Shares of Rs. 2/- (Rupees Two) each to Rs. 66,00,00,000 /- (Rupees Sixty-Six Crores Only) divided into 33,00,00,000 (Thirty-Three Crores) equity shares of Rs. 2/- (Rupees Two) each.

Increase the Authorised Share Capital of the Company was further increased through postal ballot dated July 13, 2023 from Rs. 66,00,00,000 /- (Rupees Sixty-Six Crores Only) divided into 33,00,00,000 (Thirty-Three Crores) equity shares of Rs. 2/- (Rupees Two) each to Rs. 1,17,00,00,000 /- (Rupees One Hundred and Seventeen Crores Only) divided into 58,50,00,000 (Fifty Eight Crores and Fifty Lakhs) equity shares of Rs. 2/- (Rupees Two) each.

Increase the Authorised Share Capital of the Company was further increased through postal ballot dated January 21, 2024 from Rs. 1,17,00,00,000 /- (Rupees One Hundred and Seventeen Crores Only) divided into 58,50,00,000 (Fifty Eight Crores and Fifty Lakhs) equity shares of Rs. 2/- (Rupees Two) each to Rs. 1,67,00,00,000/- (Rupees One Hundred Sixty Seven Crores Only) divided into 83,50,00,000 (Eight Three Crores Fifty Lakhs) equity shares of face value of Rs. 2/- (Rupees Two) each.

SECTION VI- LEGAL AND OTHER INFORMATION

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector-specific laws currently in force in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The description below may not be exhaustive and is only intended to provide general information to investors, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial, or administrative decisions. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain.

The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For information on regulatory approvals obtained by us, please refer “Government and Other Approvals” on page 131. We are required to obtain and regularly renew certain licenses / registrations / sanctions / permissions required statutorily under the provisions of various Central and State Government regulations, rules, bye laws, acts, and policies. Additionally, the projects undertaken by us require, at various stages, the sanction of the concerned authorities under the relevant central and state legislations and local byelaws.

Following is an overview of some of the important laws and regulations, which are relevant to our business.

KEY REGULATION APPLICABLE TO OUR COMPANY

The Reserve Bank of India Act, as amended (the “RBI Act”) and applicable Master Directions issued by RBI

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of ₹2.5 million or such other amount, not exceeding ₹1,000 million, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC.

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2020

The Code on Wages, 2020 (The “Code”) seeks to amend, consolidate and regulate the laws relating to wage and bonus payments in all employments and matters connected therewith or incidental thereto and aims at providing equal remuneration to employees performing work of a similar nature in every industry, trade, business or manufacture. The Code received the assent of the Lok Sabha on July 30, 2020, and of the Rajya Sabha on August 2, 2020. Subsequently, the Code received presidential assent on 8th August 2020, and was notified by the Ministry of Law and Justice, Government of India on the same date. The Code subsumes and repeals the provisions of four

statutes -- the Payment of Wages Act, 1936 which ensures that payment of wages to employees are disbursed on time and no undue deductions are made, the Minimum Wages Act, 1948 which enables fixing of minimum rates of wages in certain employments, the Payment of Bonus Act, 1965 which provides for payment of bonus to persons employed in certain establishments on the basis of profit or productivity, and the Equal Remuneration Act, 1976 which aims to mandate equal remuneration to prevent gender discrimination in employment matters. Further, the Ministry of Labour and Employment has also notified the Draft Code on Wages (Central) Rules, 2021 under the Code. The Code on Wages shall come into force on such date as may be prescribed by the Central Government by way of a notification of the Official Gazette. The Code in its entirety is yet to be notified; however, certain provisions pertaining to the composition and duties of the Central Advisory Board as encompassed in Section 42, Section 130 67 and Section 69 of the Code have been brought into force by the Ministry of Labour and Employment vide Notification dated December 18, 2021. Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the 'EPF Act') and the Employees Provident Fund Scheme, 1952.

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act Frames Employees Provident Scheme, 1952.

Note: Currently Company does not have more than 20 employees.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under Section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employee's Compensation Act, 1923

It is common knowledge that many of the tasks for which laborers or workmen are employed involve great physical hardships, risks of loss or injury to the employees which may even result in death. This Act assures that the employee or his dependents are to be compensated for injury or death caused to him during his employment. The Employee's Compensation (Amendment) Act, 2017 (hereinafter referred to as "the amendment") received the President's assent in 12th April 2017.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, an employee in a factory or any other establishment in which 20 or more than 20 persons are employed on any day during an accounting year who is in continuous service for a period of five years notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee is eligible for gratuity upon his retirement, superannuation, death or disablement.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the Company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

TAX RELATED LEGISLATIONS**Goods and Service Tax (hereinafter referred to as the 'GST')**

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST)

and Goods and Services Tax (Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

INTELLECTUAL PROPERTY LEGISLATION

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical, and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, inter alia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trademarks Act, 1999 (hereinafter referred to as the ‘TM Act’)

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

ENVIRONMENTAL REGULATIONS

The Environment Protection Act, 1986

The purpose of the Environment Protection Act (“Environment Protection Act”) is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

The Public Liability Insurance Act, 1991 (“Public Liability Act”)

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste.

FOREIGN INVESTMENT LAW

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy (hereinafter referred to as the ‘Consolidated FDI Policy’) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (hereinafter referred to as the ‘DIPP’) from time to time. Under the current FDI Policy (effective August 28, 2017) 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 (hereinafter referred to as the ‘SEBI (FPI) Regulations’), investments by Foreign Portfolio Investors (“FPIs”) in the capital of an Indian Company under the SEBI (FPI) Regulations are subject to certain limits individual holding limits of 10% of the capital of the Company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a Company can be increased up to the applicable sectoral cap by passing a resolution of the company’s board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

OTHER LAWS

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Police Laws

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a ‘no objection certificate’ for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Transfer of Property Act, 1882

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 (hereinafter referred to as 'Registration Act') has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non- testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881 and Consumer Protection Act 1986 are also applicable to the company..

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the section titled '*Government and Other Approvals*' beginning on 131, of this Draft Letter of Offer.

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,

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

LITIGATION INVOLVING OUR COMPANY

1) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, there are no actions by statutory / regulatory authorities against our Company

2) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

As on date of this Draft Letter of Offer, there are no direct tax liabilities against our Company.

(ii) Indirect Taxes Liabilities

As on date of this Draft Letter of Offer, there are no indirect tax liabilities against our Company.

3) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Draft Letter of Offer, there are no issues of moral turpitude or criminal liability on the part of our Company.

4) Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Draft Letter of Offer, there are proceedings involving Material Violations of Statutory Regulations by our Company.

5) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Draft Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

- 6) **Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company**

As on date of this Draft Letter of Offer, there are no proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;

LITIGATION INVOLVING OUR DIRECTORS

Litigation Involving Actions by Statutory/Regulatory Authorities

As on date of this Draft Letter of Offer, there are no subsisting litigations involving actions by statutory/ regulatory authorities filed by or against our directors,;

LITIGATION INVOLVING OUR SUBSIDIARY

Litigation involving our Subsidiary

As on date of this Draft Letter of Offer, there are no subsisting litigations filed by or against our Subsidiary;

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR DECEMBER 31,2023

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

I. Incorporation details

- Certificate of incorporation dated July 22, 1985 issued to Srestha Finvest Limited by the Registrar of Companies, Chennai.
- The Corporate Identity Number (CIN) of our Company is L65993TN1985PLC012047.

II. Approvals in relation the Issue

- The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act 2013, by a resolution passed at its meeting held on September 19, 2023 authorized the Issue.
- In-principle approval from the BSE dated [□].

III. Approvals in relation Tax

- The permanent account number of our Company is AAACM5313R.
- The tax deduction account number of our company is CHEM00341F.
- GST is not applicable to the company.

IV. Approvals in relation to our Business

- Our Company has obtained Certificate of Registration from RBI dated 22/06/2001 to carry on the business of non-banking financial institution without accepting public deposits.

V. Approvals in relation to Environment

Our Company has received a non-objection certificate (NOC) under the Water Pollution (Prevention and Control of Pollution), Act, 1974 and Air Pollution (Prevention and Control of Pollution) Act 1981 for its manufacturing activity issued by District Trade and Industries Centre Maharashtra .

OFFICES

Registered Office: Door No.19 & 20, General Muthiah Mudali Street, Sowcarpet, , Chennai, Tamil Nadu, 600003

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on December 19,2023
2. The Board of Directors of our Company in their meeting conducted on December 19,2023 approved this Issue inter-alia on the following terms:

Issue Size	Upto 49,00,00,000 /- (Forty-Nine Crore Rupees);
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share);
Issue Entitlement Ratio	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
Record Date	[●];

The Issue Price shall be determined by the Company;

3. This Draft Letter of Offer has been approved at Committee Meeting of the Board of Directors on December 19,2023

Receipt of In-principle approval from BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number [●] from BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) dated [●]. Our Company will also make application to BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

1. Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

2. The companies with which our Directors or the persons in control of our Company are or were associated as , directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
3. Our Company, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;
4. None of our Directors are associated with the securities market in any manner;
5. Our Company and the Directors of our Company have not been declared as fugitive economic offenders;
6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;
7. There are no proceedings initiated by SEBI, Stock Exchange or ROC, etc., against our Company, Directors, Group Companies;

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited (BSE) and Metropolitan stock exchange of India (MSEI). Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;
2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE)for listing of the Right Shares to be issued pursuant to this Issue.
3. 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, i.e.www.sebi.gov.in;
4. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;

Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE). for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF 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 Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Draft Letter of Offer with the SEBI and until date;

The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE)

2. 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 our 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.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

DISCLAIMER CLAUSE OF SEBI

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

As required, a copy of the Letter of Offer will be submitted to SEBI.

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 and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company shall make all the relevant information available to the Eligible Shareholders in accordance with the SEBI (ICDR) Regulations and no selective or additional information would be available for a section of the Eligible 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 Right 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 , India only.

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE)

As required, a copy of this Draft Letter of Offer has been submitted to the BSE Limited (BSE) and Metropolitan stock exchange of India Limited (MSE) has given vide its letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited (BSE) and Metropolitan stock exchange of India (MSE). to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited (BSE) and Metropolitan stock exchange of India (MSE).

Further BSE Limited (BSE) and Metropolitan stock exchange of India (MSE) does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
2. Warrant that our Company’s Equity Shares will be listed or will continue to be listed on BSE Limited (BSE) and Metropolitan stock exchange of India Limited (MSE).; or
3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the BSE Limited (BSE) and Metropolitan stock exchange of India (MSE).

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited (BSE) and Metropolitan stock exchange of India (MSE). whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

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 issuer 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.

SELLING RESTRICTIONS

The distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, 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, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar 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. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the BSE Limited (BSE) and Metropolitan stock exchange of India (MSE). Accordingly, 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 Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, and Application Form 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.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Draft Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company or their respective affiliates to make any filing or registration (other than in India).

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

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

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof or to, or for the account or benefit of, 'U.S. persons' (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Draft Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right Shares and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which this Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form 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 subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

- a. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;
- b. Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;
- c. Where a registered Indian address is not provided;
- d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

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

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

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, which meets 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.

The average time taken by the Registrar to the Issue, **Purva Shareregistry (India) Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **PurvaShareregistry(India) Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, contact details, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be

addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' on page 140, of this Draft Letter of Offer.

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

Company Secretary and Compliance Officer	Registrar to the Issue
<p>MR. JITENDRA KUMAR ASHKARANBAFNA Address: Old No. 42/2, 2nd Floor, Chakkarai Chetty Street, Kondithope, Chennai - 600001 Contact Details: +9043412010 Email-ID: srestha.info@gmail.com</p>	<p>PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opp. Kasturba Hospital Lane, Lower Parel (E), Mumbai – 400011, Maharashtra Tel No.: +91 22 2301 2518 / 8261 Email: support@purvashare.com Investor Grievance Email: support@purvashare.com Website: www.purvashare.com SEBI Registration No: INR000001112 Contact Person: Deepali Dhuri, Compliance Officer</p>

SECTION IX – ISSUE 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 the Issue Materials, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up.

Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA facility as disclosed in this section.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (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, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited (BSE) and Metropolitan stock exchange of India (MSE) and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ('Issue Materials') only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the 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 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 Right Shares under applicable securities laws) on the websites of:

- a. Our Company's website at www.srestha.co.in;

- b. Registrar to the Issue's website at www.purvasharee.com ;
- c. BSE Limited's website at www.bseindia.com;
- d. metropolitan stock exchange of india limited website at www.msei.in

Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvasharee.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.srestha.co.in.

Further, our Company will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current situation and pursuant to the SEBI Rights Issue Circulars, our Company, and the Registrar to the Issue 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 attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to the Paragraph titled '*Procedure for Application through the ASBA Process*' of this Draft Letter of Offer.

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, Paragraph titled '*Procedure for Application through the ASBA Process*' on page 154 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.

Credit of Rights Entitlements in demat accounts of Eligible 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 Right Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and
- b. A demat suspense escrow account (namely, '**SRESTHA FINVEST - RIGHTS ENTITLEMENT SUSPENSE ESCROWDEMAT ACCOUNT**') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (ii) Equity Shares held in the account of IEPF authority; or
 - (iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
 - (iv) Credit of the Rights Entitlements returned/ reversed/ failed; or
 - (v) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Shareholders as on Record Date are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar to the Issue, to facilitate the aforementioned transfer.

OTHER IMPORTANT LINKS AND HELPLINE

The Investors can visit following links for the below-mentioned purposes:

Purpose	Link
Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors	www.purvashare.com
Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders	
Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company	
Updation of demat account details by Eligible Shareholders holding shares in physical form	support@purvashare.com

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on December 19, 2023, in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.

The Issue Price has been determined by the Company.

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members at the close of business hours on the Record Date.

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Shares as set out in the Rights Entitlement Letter

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights 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, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.purvashare.com by entering their DP-ID and Client-ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on our Company's website at www.srestha.co.in.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Shareholders before the Issue Opening Date only in dematerialised form.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Rights Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Rights Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Rights Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details

of their respective demat accounts on the Registrar's website at www.purvashare.com. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Issue Materials to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Rights Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid email address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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 Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSE) website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right 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 filed with BSE Limited (BSE) and the Letter of Offer to be filed with SEBI and the BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSE). Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with 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, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right 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 Forms 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 Right Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹ 2.00 (Rupee Two Only).

2. Issue Price

Each Rights Equity Share is being offered at a price of ₹[●] (Rupees [●] Only) per Rights Equity Share (including a premium of ₹[●] (Rupees [●] Only) per Rights Equity Share) in this Issue.

On Application, Investors will have to pay entire amount of ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price.

The Issue Price for Right Shares has been arrived at by our Company and has been decided prior to the determination of the Record Date.

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held by the Eligible Shareholders as on the Record Date.

4. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the BSE Limited (BSE)and Metropolitan Stock Exchange of India Limited (MSE) or through an off-market transfer

In accordance with SEBI circulars the Physical Shareholders as on the Record Date, who have not furnished the details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

5. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

- a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and
- b. A demat suspense escrow account (namely, '[●]' opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:
 - (i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
 - (ii) Equity Shares held in the account of IEPF authority; or
 - (iii) Physical Shareholders as on Record Date where details of demat accounts are not provided by Eligible Shareholders to our Company or Registrar; or

- (iv) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- (v) Credit of the Rights Entitlements returned/ reversed/ failed; or
- (vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with the Depositories for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible 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 transfer. Physical Shareholders can update the details of their demat accounts on the website of the Registrar accessible at www.purvashare.com. Such Eligible Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the BSE Limited (BSE) and Metropolitan Stock Exchange of India Limited (MSE) after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, PLEASE REFER TO THE PARAGRAPH TITLED ‘PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS’ ON PAGE 154 OF THIS DRAFT LETTER OF OFFER.

6. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) for trading of Rights Entitlements. 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 On Market Renunciation shall take place electronically on the secondary market platform of the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible 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. For details, see ‘*Procedure for Renunciation of Rights Entitlements – On Market Renunciation*’ and ‘*Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*’.

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.

7. Terms of Payment

The entire amount of the Issue Price of ₹[●] per Rights Equity Share shall be payable at the time of Application.

Each Rights Equity Share is being offered at a price of ₹[●]/- per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share), for every 1 Rights Equity Share allotted in this Issue.

Where an Applicant has applied for additional Right Shares and is Allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

8. Fractional Entitlements

The Rights Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of [●] Rights Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in the multiple of [●] Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Shares over and above their Rights Entitlements, if any, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder hold [●] Equity Shares, such Equity Shareholder will be entitled to [●] Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Shares, over and above his/ her Rights Entitlements, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than [●] Equity Shares shall have ‘zero’ entitlement for the Rights Shares. Such Eligible Shareholders are entitled to apply for additional Rights Shares and will be given preference in

the Allotment of one Rights Shares, if such Eligible Shareholders apply for additional Rights Shares, subject to availability of Rights Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

9. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (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 NSE and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and Allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Credit Rating

As this Issue is a Rights Issue, there is no requirement for credit rating for this Issue

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) through letter bearing reference number [●] dated [●]. Our Company will apply to the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) under ISINs for Right Shares. The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The existing Equity Shares are listed and traded on BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE) bearing Scrip Symbol code ‘SRESTHA Scrip code 539217 under ISIN‘INE606K01023’. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approval from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity share of our company.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE), we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE), rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12. Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

- a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;
- b. The right to receive dividend, if declared;
- c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;
- d. The right to receive surplus on liquidation;
- e. The right to free transferability of Right Shares;
- f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.

13. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for trading of Rights Entitlements is 1 Equity Shares.

2. Minimum Subscription

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:

- a. Objects of the issue being other than capital expenditure for a project; and

The objects of the Rights Issue involve financing other than the financing of capital expenditure for a project.

3. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

4. Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

5. Arrangements for Disposal of Odd Lots

The Rights Equity Shares are traded in dematerialized form only. The market lot for trading of Rights Entitlements is 1 equity Shares.

6. 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 (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

7. 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.

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.

All notices to the Eligible Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation (Hindi being the regional language of Indore where our Registered Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Equity Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who 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. Investors can 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 Right Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

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

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

- (i) E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- (ii) Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;
- (iii) Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- (iv) 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 neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.purvashare.com. Investors can 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 Right Shares under applicable securities laws) from the websites of:

- (i) Our Company at www.srestha.co.in;
- (ii) The Registrar at www.purvasharee.com;
- (iii) The Stock Exchange at www.bse.com., www.mseil.in

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.purvashare.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at www.srestha.co.in.

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right 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 Right Shares by:

- (i) 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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

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

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 see ‘Grounds for Technical Rejection’. 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 an Application that is available on the website of the Registrar, Stock Exchange, or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘*Application on Plain Paper under ASBA process*’ on page 154 of this Draft Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

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

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

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization 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 bearing reference number '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.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:

Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

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 Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE)), and

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 '*Application on Plain Paper under ASBA processes*' on page 154 of this Draft Letter of Offer.

ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Right Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for additional Right 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*'.

Eligible Shareholders who renounce their Rights Entitlements cannot apply for additional Right Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Shares.

Pursuant to the ASBA Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Shares while submitting the Application through ASBA process.

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:

- 1) By using the secondary market platform of BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE),; or
- 2) Through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Shares.

The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state, or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stockbroker regarding any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied for trading in Rights Entitlements

OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES, AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

(i) 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 Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchange under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement 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 Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) under automatic order matching mechanism and on 'T+1 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(ii) 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 dematerialized form only.

Eligible 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.

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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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.

APPLICATION 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 authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible 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:

- (i) Name of our Company, being '**SRESTHA FINVEST LIMITED**';
- (ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- (iii) Registered Folio No./DP and Client ID No.;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialized form;
- (vi) Number of Right Shares entitled to;
- (vii) Total number of Right Shares applied for;
- (viii) Number of additional Right Shares applied for, if any;
- (ix) Total number of Right Shares applied for;
- (x) Total amount paid at the rate of ₹[●]/- for Right Shares issued in one Rights Entitlement;
- (xi) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- (xii) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- (xiii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Right Shares applied for pursuant to this Issue;
- (xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- (xvi) In addition, all such Eligible Shareholders are deemed to have accepted the following:

'I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the 'US Securities Act') or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the 'United States') except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. 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 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 Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in

or to the United States at any time. I/ we understand that none of the Company, the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, 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 Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as '**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, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.*

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 www.purvashare.com.

I/ We acknowledge that 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.'

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.purvashare.com.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility only.

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, upon receipt of intimation from the Registrar, 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 Section 40 (3) of the Companies Act, 2013.

The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

1. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

2. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

- a) Individual non-resident Indian Applicants who are permitted to subscribe to Rights Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, BSE Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE) and our Company;

Note: In case of non-resident Eligible Shareholders, the Issue Materials shall be sent to shall be sent to their email addresses if they have provided their Indian address to our Company and if they are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights 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. The Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights 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.

- i. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Shares may be restricted by applicable securities laws;
- ii. 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;

Notes

- (i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;
- (ii) In case Rights Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Shares cannot be remitted outside India;
- (iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;
- (iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;
- (v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;
- (vi) Non-resident Renouncees, who are not Eligible Shareholders, must submit regulatory approval for applying for additional Rights Shares;

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE 'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS' ON PAGE 167 OF THIS DRAFT LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renouncees;
4. Application should be made only through the ASBA facility;
5. 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;
6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section '*Application on Plain Paper under ASBA processes*' on page 154 of this Draft Letter of Offer;

7. 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 only the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA;
8. 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.
9. 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 Stock Exchange;
10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar;
11. 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;
12. 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 Right Shares pursuant to this Issue shall be made into the accounts of such Investors;
13. 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 and the Application Money will be refunded and no interest will be paid thereon;
14. 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;
15. 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;
16. All communication in connection with Application for the Right Shares, including any change in address of the Eligible 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 Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar;

17. 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 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;
18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 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;
19. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;
20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
2. mention their internal reference number in place of application number;
3. 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;
4. 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;

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;
4. Do not pay the Application Money in cash, by money order, pay order or postal order;
5. Do not submit multiple Applications.

Do's for Investors applying through ASBA:

1. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;

2. 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;
3. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;
4. Ensure that you have authorized 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;
5. 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;
6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;
7. 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:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

Grounds for Technical Rejection

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

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;
2. Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;
3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;
4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

5. Account holder not signing the Application or declaration mentioned therein;
6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;
7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;
8. 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);
9. 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;
10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;
11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer;
12. Physical Application Forms not duly signed by the sole or joint Investors;
13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;
14. 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;
15. 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) or other jurisdictions where the offer and sale of the Right 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) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;
16. Applications which have evidence of being executed or made in contravention of applicable securities laws;
17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;
18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHT SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY

SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized 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 or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) 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 in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see '*Procedure for Applications by Mutual Funds*' below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to

time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchange and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, '**Basis of Allotment**' on 108 of this Draft Letter of Offer.

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 Limited ("BSE") and Metropolitan Stock Exchange of India Limited (MSE)

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, whether applying through ASBA facility, 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	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

** Eligible 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 of Directors may however decide 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).

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Right Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.
2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Right Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations or demat credit of Right Shares and/or letters of regret, along with crediting the Allotted Right Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our

Company and the Directors who are ‘officers in default’ shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days’ period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

1. Unblocking amounts blocked using ASBA facility.
2. National Automated Clearing House (hereinafter referred to as ‘NACH’) – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. National Electronic Fund Transfer (hereinafter referred to as ‘NEFT’) – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (hereinafter referred to as ‘IFSC Code’), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
4. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
5. RTGS – If the refund amount exceeds ₹2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

Please Note That the Right Shares Applied For Under This Issue Can Be Allotted Only In Dematerialized Form And to

1. The Same Depository Account/ Corresponding PAN in which The Equity Shares Are Held By Such Investor On The Record Date, Or
2. The Depository Account, Details of which Have Been Provided to our Company or The Registrar At Least Two Working Days Prior To The Issue Closing Date By The Eligible Equity Shareholder Holding Equity Shares In Physical Form As On The Record Date, Or
3. Demat Suspense Account Pending Receipt of Demat Account Details For Resident Eligible Shareholders/ Where The Credit Of The Rights Entitlements Returned/Reversed/Failed.

Investors shall be Allotted the Right Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED(BSE) AND METROPOLITAN STOCK EXCHANGE OF INDIA LIMITED ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.
5. The Right 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 Shareholders with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

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

2. Procedure for Applications by AIFs, FVCIs and VCFs

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

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. 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.

3. Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ('OCI') may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized 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.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies ('NBFC-SI')

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

‘Any person who makes or abets making of an application in a fictitious name to a Company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a Company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a Company to allot, or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.’

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

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 Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

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

Our Board of Directors of the Company 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 cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are ‘officers in default’ shall pay interest at the prescribed rate. 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 Right Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily;
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE), where the Right Shares are to be listed are taken within the time limit specified by the SEBI;
3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company;
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants;
6. Adequate arrangements shall be made to collect all ASBA applications;

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

- a. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- b. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and
- c. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed ‘**SRESTHA FINVEST -RIGHT ISSUE**’ on the envelope and postmarked in India or in the email) to the Registrar at the following address:

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

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com).
4. This Issue will remain open for a minimum 07 (Seven) days. However, the Board of Directors 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 Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the 'government route', where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

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 way 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 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), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

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

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

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. 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 (SAST) Regulations;
2. The non-resident shareholding is within the sectoral limits under the FDI Policy; and
3. 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 to make any investment in the Issue.

Our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

SECTION VII – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than 2 (Two) years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, would be available on the website of the Company at www.srestha.co.in in from the date of this Draft Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated[●] between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company and the Registrar to the Issue and the Bankers to the Issue;

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Fresh certificate of incorporation
3. Copies of annual report of our Company for the last Financial Years for the Financial Year ending March 31, 2023.
4. Resolution of our Board of Directors dated December 19,2023, in relation to the Issue and other related matters;
5. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
6. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditor, Banker to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
7. Report on Statement of Special Tax Benefits dated[●] , for our Company from the Statutory Auditors of our Company;
8. In-principle approval issued by BSE Limited (“BSE”) and Metropolitan Stock Exchange of India Limited (MSE)dated [●];

9. Tripartite agreement amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
10. Tripartite agreement amongst our Company, National Securities Depository Limited and Registrar to the Issue.

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

SRESTHA FINVEST LIMITED

Declaration

I hereby declare that no statement made in this Draft Letter of offer contravenes any of the provisions of the Companies Act 2013 and the rules made there under. I further certify that all the legal requirements connected with the issue as also the guidelines, instructions etc issued by SEBI Government of India and any other competent authority on this behalf have been duly complied with. I further certify that all disclosure made in this Draft letter of offer are true and correct.

SITABEN
SHILESHBHAI
I PATEL

Digitally signed by
SITABEN
SHILESHBHAI PATEL
Date: 2024.02.28
15:40:23 +05'30'

Sitaben S Patel
Independent Director

Date: 28/02/2024

SRESTHA FINVEST LIMITED

Declaration

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act 2013 and the rules made there under. I further certify that all the legal requirements connected with the issue and also the guidelines, instructions etc issued by SEBI, Government of India and any other competent authority, on this behalf have been duly complied with. I further certify that all disclosure made in this Draft Letter of Offer are true and correct.

Sunil
Bhandari

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Sunil Bhandari
Date: 2024.02.27
17:27:30 +05'30'

Sunil Bhandari
Wholetime Director
DIN: 03120545

Date: 27/02/2024

SRESTHA FINVEST LIMITED

Declaration

I hereby declare that no statement made in this Draft Letter of offer contravenes any of the provisions of the Companies Act 2013 and the rules made there under. I further certify that all the legal requirements connected with the issue as also the guidelines, instructions etc issued by SEBI Government of India and any other competent authority on this behalf have been duly complied with. I further certify that all disclosure made in this Draft letter of offer are true and correct.

Padariya
Umesh
Hirjibhai

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Padariya Umesh Hirjibhai
Date: 2024.02.29
13:02:23 +05'30'

Umeshbhai Hirjibhai Padariya
Independent Director

Date: 29/02/2024