



SAVANI FINANCIALS LIMITED

Our Company was incorporated as "Savani Investments and Leasing Limited" on December 21, 1983, under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Maharashtra. Our Company received the Certificate of Commencement of Business on April 27, 1984. Subsequently, the name of our Company was changed to "Savani Freight & Finance Limited" on May 18, 1987, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay. Further, the name of our Company was changed to "Savani Financials Limited" on October 14, 1993, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay.

Thereafter, our Company was registered under section 45-1A of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. Our Company is registered with the Reserve Bank of India ("RBI") as Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies (NSI-ND-NBFC) bearing registration number B-13.01071 vide the Certificate of Registration dated October 27, 1998. The registered office of our Company is situated at 602, Samarth Vaibhav CHS Limited, Off - Link Road, Lokhandwala Complex, Andheri, Mumbai 400 053 from August 4, 2023. For further details of change in name and registered office of our Company, please refer to "**General Information**" on page 42 of this Letter of Offer.

Registered Office: 602, Samarth Vaibhav CHS Limited, Off - Link Road, Lokhandwala Complex, Andheri, Mumbai 400 053

Contact person: Praful Sheth

Telephone: +91 98209 04374 | **E-mail id:** info@savanifinancials.co.in | **Website:** https://savanifinancials.co.in

Corporate Identity Number: L67120MH1983PLC031614

PROMOTERS OF OUR COMPANY: DEEPA TRACY AND MANISH CHAUDHARI⁵

⁵Our Company has initiated the process of re-classification of Manish Chaudhary from Promoter to public and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SAVANI FINANCIALS LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY

ISSUE OF UP TO 2,80,00,000 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10 EACH OF OUR COMPANY ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹17.50 EACH (INCLUDING A PREMIUM OF ₹7.50 PER RIGHTS EQUITY SHARE), AGGREGATING UPTO ₹4,900 LAKHS⁶ ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 7 EQUITY SHARE FOR EVERY 1 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON APRIL 4, 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 17.5 (1.75) TIMES THE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE 145 OF THIS LETTER OF OFFER.

⁶Assuming full subscription and receipt of all Call Monies with respect to Right Shares.

PAYMENT METHOD FOR THE ISSUE

AMOUNT PAYABLE PER RIGHTS EQUITY SHARE	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	8.00	6.00	14.00
One or more subsequent Call(s) as determined by our Board / Rights Issue Committee at its sole discretion, from time to time	2.00	1.50	3.50
Total	10.00	7.50	17.50

GENERAL RISKS

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

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this 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 Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.

LISTING

The existing Equity Shares are listed on BSE Limited ("BSE"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated March 15, 2024. Our Company will also make applications to the Stock Exchanges to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

REGISTRAR TO THE ISSUE



Bigshare Services Private Limited

Office No S6-2, 6th Floor

Pinnacle Business Park

Next to Ahura Centre, Mahakali Caves Road

Andheri (East), Mumbai, Maharashtra, 400093

Telephone: 022 - 6263 8200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATIONS*	ISSUE CLOSES ON [#]
MAY 2, 2024	May 7, 2024	MAY 10, 2024

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

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

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

*The words and expressions used in this 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 sections / chapters titled "**Industry Overview**", "**Statement of Tax Benefits**", "**Financial Information**", "**Outstanding Litigation and Defaults**" and "**Terms of the Issue**" on pages 56, 53, 82, 136 and 145 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

General Terms

Term	Description
"Savani Financials Limited" or "Our Company" or "the Company" or "the Issuer"	Savani Financials Limited, a public limited company incorporated under the erstwhile Companies Act, 1956 and having its registered office at 602, Samarth Vaibhav CHS Limited, Off - Link Road, Lokhandwala Complex, Andheri, Mumbai 400 053
"We", "Our", "Us", or "Our Group"	Unless the context otherwise requires, indicates or implies or unless otherwise specified, our Company

Company Related Terms

Term	Description
Articles of Association / Articles / AoA	/The Articles of Association of our Company, as amended from time to time
Audit Committee	The Board of Directors of our Company constituted audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 177 of the Companies Act, 2013
Audited Financial Statements	Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this Letter of Offer is derived from the Audited Financial Statements for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021; and (b) Unaudited Interim Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the nine-months period ended December 31, 2023 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see " Financial Information " on page 82 of this Letter of Offer.
Auditor / Statutory Auditor	The current statutory auditor of our Company, namely, Jayantilal Thakkar & Co
Board / Board of Directors	Board of Directors of our Company including duly constituted committee thereof. For details of the Board of Directors, see " Our Management " on page 72 of the Letter of Offer

Term	Description
Chairman	Deepa Tracy, the Chairman of our Company
Chief Financial Officer / CFO	Praful Sheth, the Chief Financial Officer of our Company
Committee(s)	Duly constituted committee(s) of our Board of Directors
Company Secretary and Compliance Officer	Praful Sheth, the Company Secretary and the Compliance Officer of our Company
Directors	Directors on the Board, as may be appointed from time to time
Equity Shareholder / Shareholders	A Holder of Equity Share(s) of our Company, from time to time
Equity Shares	Equity shares of face value of ₹10 each of our Company
Executive Directors	Executive directors of our Company
Independent Director(s)	Independent director(s) of our Company as per Section 2(47) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations, and as described in the chapter " Our Management " on page 72 of this Letter of Offer
Key Managerial Personnel / KMP	Key managerial personnel of our Company as per the definition provided in Section 2(51) of the Companies Act, 2013 and Regulation 2(1)(bb) of the SEBI ICDR Regulations as described in the " Our Management " on page 72 of this Letter of Offer.
Limited Reviewed Unaudited Financial Results	The limited reviewed unaudited financial statements for the nine months period ended December 31, 2023, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, please refer " Financial Information " on page 82 of this Letter of Offer.
Materiality Policy	Policy for Determination and Disclosure of Materiality of an Event or Information adopted by our Board in accordance with the requirements under Regulation 30 of the SEBI Listing Regulations, read with the materiality threshold adopted by the Board of Directors through its resolution dated December 5, 2023, for the purpose of litigation disclosures in this Letter of Offer.
Memorandum of Association / Memorandum / MoA	of The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The Board of Directors of our Company constituted nomination and remuneration committee in accordance with Regulation 19 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.
Non-executive Director	Non-executive director(s) on our Board, as described in " Our Management " on page 72 of this Letter of Offer.
Registered Office	The registered office of our Company 602, Samarth Vaibhav CHS Limited Off - Link Road, Lokhandwala Complex Andheri, Mumbai 400 053
Registrar of Companies / RoC	The Registrar of Companies, Maharashtra at Mumbai
Rights Issue Oversight Committee	The committee of our Board constituted through the board resolution dated September 1, 2023 and re-constituted in Board Meeting dated December 5, 2023
Stakeholders' Relationship Committee	The Board of Directors of our Company constituted a Stakeholder Relationship committee named as Stakeholder Relation and Share Transfer Committee in accordance with Regulation 20 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Section 178 of the Companies Act, 2013.

Issue Related Terms

Term	Description
Abridged Letter of Offer / ALOF	Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
Additional Rights Equity Shares / Additional Equity	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement

Term	Description
Shares	
Allotment / Allot / Allotted	Unless the context otherwise requires, the Allotment of Rights Equity Shares pursuant to the Issue
Allotment Account	The accounts opened with the Banker(s) to the Issue, into which the Application Money blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited.
Allotment Advice	The note, advice or intimation of Allotment, sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange
Allotment Date / Date of Allotment	Date on which the Allotment is made pursuant to the Issue
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue
Applicant(s) or Investors	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to the Issue in terms of the Letter of Offer
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online / electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process to subscribe to the Rights Equity Shares at the Issue Price
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
Application Money	Aggregate amount payable at the time of Application in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	Application (whether physical or electronic) used by an ASBA Applicants to make an Application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB.
ASBA Account	Account maintained with the SCSB and as specified in the Application Form or the plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard
Banker(s) to the Issue	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being ICICI Bank Limited.
Banker to the Issue Agreement	Agreement dated March 15, 2024, entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Rights Equity Shares
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " Terms of the Issue " on page 145 of this Letter of Offer
Call(s)	The notice issued by our Company to the holders of the Rights Equity Shares as on the Call Record Date for making a payment of the Call Monies

Term	Description
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Shares pursuant to the Payment Schedule, being ₹3.50 per Rights Equity Share after payment of the Application Money.
Call Record Date	A record date fixed by our Company for the purpose of determining the names of the holders of Rights Equity Shares for the purpose of issuing of the Call.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Designated Branches / Designated SCSB Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer / DLOF	The draft letter of offer dated December 15, 2023, filed with SEBI in accordance with SEBI ICDR Regulations
Eligible Equity Shareholder(s) / Eligible Shareholder(s)	Existing Equity Shareholder(s) as on the Record Date i.e., April 4, 2024. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For, further details, see " Notice to Investors " on page 12 of this Letter of Offer.
Fraudulent Borrower	Fraudulent Borrower as defined under Regulations 2(1)(III) of the SEBI ICDR Regulations
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, April 4, 2024, and the Renouncee(s).
Issue / Rights Issue	Issue of up to 2,80,00,000 Rights Equity Shares of face value of ₹10 each of our Company for cash at a price of ₹17.50 per Rights Equity Share (including a premium of ₹7.50 per Rights Equity Share) aggregating to ₹4,900 Lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 7 Rights Equity Share for every 1 fully paid-up Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date On Application, Investors will have to pay ₹14.00 per Rights Equity Share which constitutes 80% of the Issue Price.
	<i>*Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares</i>
Issue Closing Date	May 10, 2024
Issue Materials	Collectively, the Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and Rights Entitlement Letter, any other issue material relating to the Issue
Issue Opening Date	May 2, 2024
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	₹17.50 per Rights Equity Share. On Application, Investors will have to pay ₹14.00 per Rights Equity Share which constitutes 80% of the Issue Price and the balance ₹3.50 per Rights Equity Share which constitutes 20% of the Issue Price, will have to be paid, on one more

Term	Description
	additional calls as may be decided by the Board / Rights Issue Oversight Committee of the Board from time to time.
Issue Proceeds/ Gross Proceeds	The gross proceeds raised through the Issue
Issue Size	Amount aggregating up to ₹ 4,900 [#] ^{#Assuming full subscription and receipt of all Call Monies with respect to Rights Equity Shares}
Letter of Offer / LOF	The final letter of offer dated April 10, 2024, to be filed the Stock Exchanges and with SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations
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 " Objects of the Issue " on page 49 of this Letter of Offer
Non-Institutional Investor / NII	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock 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 May 7, 2024
Payment Schedule	Payment schedule under which 80% of the Issue Price is payable on Application, i.e., ₹14.00 (Rupees fourteen only) per Rights Share, and the balance unpaid capital constituting 20% of the Issue Price i.e., ₹3.50 (Rupees three and fifty paise Only) will have to be paid, on one or more additional call(s) as may be decided by the Board / Rights Issue Oversight Committee of the Board from time to time
Qualified Institutional Buyer / QIB	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being April 4, 2024
Registrar to the Issue / Registrar to the Company / Registrar	Bigshare Services Private Limited
Registrar Agreement	Agreement dated December 8, 2023 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI Rights Issue Circulars, the Companies Act and any other applicable law
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., May 2, 2024. Such period shall close on May 7, 2024, in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date i.e., May 10, 2024
Rights Entitlement(s) / RE(s)	Number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity

Term	Description
	<p>Shareholder on the Record Date, in this case being April 4, 2024, would be 7 Equity Shares for every 1 Equity Share held by an Eligible Equity Shareholder.</p> <p>Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.</p> <p>The Rights Entitlements with a separate ISIN will be credited to the respective demat account of Eligible Equity Shareholder before the Issue Opening Date, against the Equity Shares held by the Eligible Equity Shareholders as on the Record Date.</p>
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements will also accessible on the website of our Company and Registrar
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, read with SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022, and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
SCSB(s) / Self-Certified Syndicate Banks	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Stock Exchange	Stock exchange where the Equity Shares of our Company are presently listed, i.e., BSE Limited
Transfer Date	The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter / Fraudulent Borrower	Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Gujarat are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Business and Industry Related Terms

Term	Description
ADB	Asian Development Bank
AMCs	Asset Management Companies
AMFI	Association Of Mutual Funds in India
ARC	Asset Reconstruction Company
AUM	Assets Under Management
BSE	Bombay Stock Exchange
CDBC	Central Bank Digital Currency
CICs	Central Information Commission

Term	Description
CGTMSE	Credit Guarantee Fund Trust for Micro And Small Enterprises
CRAR	Capital Adequacy Ratio
DHFL	Dewan Housing Finance Limited
EEX	European Energy Exchange
FPIs	Foreign Portfolio Investors
FIA	Futures Industry Association
FY	Fiscal Year
GDP	Gross Domestic Product
GDS	Gross National Savings
HFCs	Housing Finance Companies
ICC	Investment And Credit Company
IPOs	Initial Public Offerings
IMPS	Immediate Payment Service
IT	Information Technology
JGLs	Joint Liability Groups
M&A	Merger And Acquisition
MOU	Memorandum Of Understanding
MSMEs	Micro, Small and Medium Enterprises
MUDRA	Micro Units Development and Refinance Agency
NBFIs	Non-Banking Financial Institution
NBFC	Non-Banking Finance Companies.
NBFCs-D	Deposit Taking/ Holding Non-Banking Finance Companies.
NBFCs-ND	Non-Deposit Taking/ Holding Non-Banking Financial Company
NBFC-MFIs	Non-Banking Financial Companies - Microfinance Institutions
NBFCs-ND-SI	Systemically Important Non-Deposit Taking/ Holding Non-Banking Financial Company
NBFC-ML	Middle Layer
NBFC-UL	Upper Layer
NBFC-TL	Top Layer
NIPL	NPCI International Payments
NPCI	National Payments Corporation Of India
NNPA	Net Non-Performing Assets
NSE	National Stock Exchange
PDs	Primary Dealers
PCA	Prompt Corrective Action
QFIs	Qualified Foreign Investors
QR code	Quick-Response Code
RBI	Reserve Bank of India
SBR	Scale-Based Regulation
SCBs	SCB Securities Co., Ltd.
SEBI	Securities And Exchange Board Of India
SIP	Systematic Investment Plans
UHNWI	Ultra High Net Worth Individuals
UPI	Unified Payments Interface
US/USA	The United States of America
US\$	United States Dollar or US Dollar
WFE	World Federation of Exchanges
YoY	Year on Year

Conventional and General Terms/Abbreviations

Term	Description
₹ / Rs. / Rupees / INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting

Term	Description
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
BSE	BSE Limited
CAGR	Compound Annual Growth Rate
CBDT	Central Board of Direct Taxes, Government of India
Category I AIF	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations
Category II AIF	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Central Government	Central Government of India
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Civil Code	Code of Civil Procedure 1908
Client ID	The client identification number maintained with one of the Depositories in relation to the demat account
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with the rules made thereunder
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
ID	Depository Participant's Identification
DTAA	Double Taxation Avoidance Agreement
DPIIT	Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, tax, depreciation and amortization
EGM	Extraordinary general meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
FCNR Account	Foreign Currency Non-Resident (Bank) account opened in accordance with the FEMA
FDI	Foreign Direct Investment
FDI Circular 2020	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
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019

Term	Description
Financial Year / Fiscal Year / Fiscal	Period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year, unless otherwise stated
FIR	First Information Report
FPIs	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
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
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
IBC / Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended
ICAI	Institute of Chartered Accountants of India
ICSI	Institute of Company Secretaries of India
IEPF	Investor Education and Protection Fund
IEPF Authority	Investor Education and Protection Fund Authority established by the GOI under Section 125 of the Companies Act, 2013
IFRS	International Financial Reporting Standards
IFSC	Indian Financial System Code
Income Tax Act / IT Act	Income-tax Act, 1961
Ind AS	The Indian Accounting Standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles of India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
ISIN	International Securities Identification Number
IBC	Insolvency and Bankruptcy Code, 2016, as amended
IT	Information Technology
ITAT	Income Tax Appellate Tribunal
Ltd.	Limited
MCA	Ministry of Corporate Affairs
Mn / mn	Million
Mutual Fund	Mutual funds registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Net Asset Value per Equity Share / NAV per Equity Share	Net Worth / Number of Equity shares subscribed and fully paid outstanding as of March 31 of that Financial Year
Net Worth	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

Term	Description
NBFC	Non-Banking Financial Companies
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect
NRE Account	Non-resident External Account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO	Non-Resident Ordinary
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003, and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum
P/E Ratio	Price / Earnings Ratio
PAN	Permanent Account Number
PAT	Profit after tax
Payment of Bonus Act	Payment of Bonus Act, 1965
Payment of Gratuity Act	Payment of Gratuity Act, 1972
Pvt. Ltd.	Private Limited
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the United States Securities Act of 1933, as amended
RoC	Registrar of Companies, Mumbai
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations / SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations / Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	The United States Securities Act of 1933
STT	Securities Transaction Tax
State Government	The Government of a State in India
Supreme Court	Supreme Court of India
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
U.S.\$ / USD / U.S. Dollar / US\$ / US Dollar	United States Dollar, the legal currency of the United States of America
USA / U.S. / US / United States	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America

Term	Description
VCFs	Venture capital funds 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
w.e.f.	With effect from
WHO	World Health Organization
Year / Calendar Year	Unless context otherwise requires, shall refer to the twelve-months period ending December 31 of a particular year

NOTICE TO INVESTORS

The distribution of the Draft Letter of Offer, 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 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 the Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer, Application Form and Rights Entitlement Letter through email and courier only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. 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 the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company and the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, 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 the Letter of Offer, 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, the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 the Draft Letter of Offer, 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 ISSUE OF RIGHTS 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 ISSUE OF RIGHTS 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.

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 and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and this Draft Letter of Offer/ Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter will be dispatched only to Eligible Equity Shareholders who have an address in India. 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 the 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.

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

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

Any representation to the contrary is a criminal offence in the United States.

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

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

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

Unless otherwise specified or the context otherwise requires, all references in this Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. Unless otherwise specified, any time mentioned in this Letter of Offer is in Indian Standard Time ("**IST**"). 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 otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer have been derived from our Audited Financial Statements. For details, please see "**Financial Information**" on page 82 of this Letter of Offer. Our Company's financial year commences on April 01 and ends on March 31 of next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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

Unless stated or the context requires otherwise, our financial data (a) as at and for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 included in this Letter of Offer is derived from the Audited Financial Statements for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021; and (b) Unaudited Interim Financial Information of our Company, and its share of net profit after tax and total comprehensive income, which comprises of the statement of profit and loss (including other comprehensive income) for the nine months period ended December 31, 2023 together with selected explanatory notes thereon, prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. For further information, see "**Financial Information**" on page 82 of this Letter of Offer.

The Audited Financial Statements of our Company for the Financial Year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees in Lakhs.

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. Our Company has presented all numerical information in the Financial Statements in whole numbers and in this Letter of Offer in "lakh" units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which

the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Letter For further information, see "**Financial Information**" on page 82 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupee, the official currency of the Republic of India; and
- "USD" or "US\$" or "\$" are to United States Dollar, the official currency of the United States of America.

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "**Risk Factors**", "**Our Business**", "**Management's Discussion and Analysis of Financial Conditions and Results of Operation**" on pages 25, 67, and 127 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

(in ₹)				
Name of the Currency	As of December 31, 2023	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
United States Dollar	83.11	82.22	75.81	73.50

(Source: RBI and FBIL reference rate)

Note: In case March 31 of any of the respective years / period is a public holiday, the previous Working Day not being a public holiday has been considered.

Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" on page 25 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENTS

In this Letter of Offer, we have included statements, 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".

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

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

- Non-compliance with certain financial covenants of the financing and debt facilities availed by our Company;
- Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
- Unanticipated turbulence in interest rates or other rates or prices;
- Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability;
- Changes in the value of Rupee and other currency changes;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations;
- Changes in the pricing environment in India and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- The rate of growth of our loan assets;
- Potential mergers, acquisitions or restructurings;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- General, political, economic, social and business conditions in Indian and other global markets;
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain qualified personnel;
- Our risk management and internal controls, as well as the risk management tools available to us, may not be adequate or effective in identifying or mitigating risks to which we are exposed;
- Claims by clients or actions by regulators or both for alleged mis-selling.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, please refer to "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Position and Results of Operations**" on pages 25, 67, and 127 respectively of this Letter of Offer. By their nature,

certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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

SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "**Risk Factors**", "**Objects of the Issue**", "**Our Business**" and "**Outstanding Litigation and Defaults**" on pages 25, 49, 67 and 136, respectively of this Letter of Offer.

1. Primary Business of our Company

Our Company is a non-deposit taking Non-Banking Financial Company (NBFC-Non-Systematically Important Non- Deposit Taking Company categorized as Investment and Credit Company i.e. ICC) registered with the RBI.

For further information, please refer to "**Our Business**" on page 67 of this Letter of Offer.

2. Primary Industry in which our Company operates

We operate in credit and investment industry as an NBFC as defined by the RBI.

For further information, please refer to "**Industry Overview**" on page 56 of this Letter of Offer.

3. Our Promoters

The Promoters of our Company are (i) Deepa Tracy; and (ii) Manish Chaudhari[§].

[§]Our Company has initiated the process of re-classification of Manish Chaudhari from Promoter to public and has made the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same

4. Subscription to the Issue by our Promoters and Promoter Group

Our Promoters and entities forming part of our Promoter Group have, vide their letters dated October 10, 2023, indicated their intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company.

Further, they reserve the right to apply for, and subscribe to, additional Rights Securities, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹17.53 per Equity Share.

5. Objects of the Issue

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

	<i>(in ₹ Lakhs)</i>
Particulars	Amount
Gross Proceeds from the Issue [#]	4,900.00
Less: Issue related expenses	94.79
Net Proceeds of the Issue	4,805.21

[#]assuming full subscription and allotment

[#]To be finalized on determination of the Issue Price and updated in the Letter of Offer prif301.or to filing with the SEBI and Stock Exchanges. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Issue.

For further details, please see chapter titled "**Objects of the Issue**" on page 49 of this Letter of Offer.

6. Summary of Financial Information

Following are the details as per the Audited Financial Statement as at and for the Financial Years ended on March 31, 2023; March 31, 2022; and March 31, 2021:

Summary of Balance Sheet as at

	Rs. In Lacs		
	31-03-2023	31-03-2022	31-03-2021
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	14.80	0.65	8.07
(ii) Bank balances other than (i) above	-	36.52	35.00
(iii) Investments	188.95	174.96	165.00
(iv) Others financial assets	7.88	5.97	7.24
	211.63	218.10	215.31
(2) Non-Financial Assets			
(i) Current-tax assets	1.11	1.13	2.39
(ii) Other non-financial assets	0.18	0.17	0.14
	1.29	1.30	2.53
TOTAL ASSETS	212.92	219.40	217.84
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
Payables			
i) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises	0.81	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1.57	1.32	1.32
ii) Other payables			
-Total outstanding dues of micro enterprises and small enterprises	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.11	0.36	0.36
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	0.21	0.14	0.09
(3) Equity			
(a) Equity Share Capital	400.00	400.00	400.00
(b) Other Equity	(189.78)	(182.42)	(183.93)
Total Equity	210.22	217.58	216.07
TOTAL LIABILITIES AND EQUITY	212.92	219.40	217.84

Summary of Statement of Profit and Loss Account for the Financial Year ended

	Rs. In Lacs		
	31-03-2023	31-03-2022	31-03-2021
I INCOME			
Revenue from Operations	11.10	11.34	12.68
Other Income	0.05	0.06	0.08
TOTAL INCOME	11.15	11.40	12.76
II EXPENSES			
Employee Benefit expenses	2.79	0.30	-
Other Expenses	15.72	9.59	8.21

	31-03-2023	31-03-2022	31-03-2021
TOTAL EXPENSES	18.51	9.89	8.21
PROFIT BEFORE TAX	(7.36)	1.51	4.55
III TAX EXPENSE			
Current Tax	-	-	-
TOTAL TAX EXPENSE	-	-	-
PROFIT FOR THE YEAR	(7.36)	1.51	4.55
IV OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss	-	-	-
(ii) Items that be reclassified to Profit or Loss	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(7.36)	1.51	4.55
EARNINGS PER EQUITY SHARE OF FV RS.10/- EACH			
Basic and Diluted	(0.18)	0.04	0.11

Following are the details as per the Unaudited Interim Financial Information for the nine months period ended December 31, 2023:

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH PERIOD ENDED 31ST DECEMBER, 2023

PART I

Particulars	(Rs. in lakhs)					
	Unaudited Quarter ended			Unaudited Nine months ended		Audited Year ended
	31st Dec 2023	30th Sept 2023	31st Dec 2022	31st December		31st March 2023
				2023	2022	
1 <u>INCOME:</u>						
A <u>Revenue from Operations</u>						
Interest Income	2.85	2.87	3.11	8.84	8.99	11.10
	2.85	2.87	3.11	8.84	8.99	11.10
B Other Income	0.00	-	0.05	0.40	0.05	0.05
Total Revenue (A+B)	2.85	2.87	3.16	9.24	9.04	11.15
2 <u>EXPENSES:</u>						
i) Employee benefit expense	1.09	-	0.90	1.09	2.70	2.79
ii) Finance Costs	2.23	0.34	-	2.57	-	-
iii) Depreciation and Amortization	0.07	-	-	0.07	-	-
iv) Legal & Professional Expenses	67.22	33.61	1.54	102.01	8.21	8.92
v) Other Expenditure	9.28	4.32	1.45	15.55	5.18	6.80
Total	79.89	38.27	3.89	121.30	16.09	18.51

Particulars	Unaudited Quarter ended			Unaudited Nine months ended		Audited Year ended 31st March 2023
	31st Dec 2023	30th Sept 2023	31st Dec 2022	31st December		
				2023	2022	
expenses (i to v)						
3 Profit / (Loss) from ordinary activities before exceptional items (1+/-2)	(77.04)	(35.40)	(0.73)	(112.06)	(7.05)	(7.36)
4 Exceptional Item	-	-	-	-	-	-
5 Profit / (Loss) from ordinary activities before tax (3+/-4)	(77.04)	(35.40)	(0.73)	(112.06)	(7.05)	(7.36)
6 Tax Expense						
Current Tax	-	-	-	-	-	-
Excess Provision of Earlier Years	-	-	-	-	-	-
7 Profit / (Loss) from ordinary activities after tax (5+/-6)	(77.04)	(35.40)	(0.73)	(112.06)	(7.05)	(7.36)
8 Extraordinary items (net of tax expense)	-	-	-	-	-	-
9 Net Profit / (Loss) for the period (7+/-8)	(77.04)	(35.40)	(0.73)	(112.06)	(7.05)	(7.36)
10 Other Comprehensive Income:						
-Item that will not be reclassified to Profit/Loss	-	-	-	-	-	-
-Items that will be reclassified to Profit / Loss	-	-	-	-	-	-
11 Total comprehensive income for the period	(77.04)	(35.40)	(0.73)	(112.06)	(7.05)	(7.36)
12 Paid-up equity share capital (Face value of Rs.10 each)	400.00	400.00	400.00	400.00	400.00	400.00
13 Reserves (excluding Revaluation)	-	-	-	-	-	(189.78)

Particulars	Unaudited Quarter ended		31st Dec 2022	Unaudited Nine months ended		Audited Year ended 31st March 2023
	31st Dec 2023	30th Sept 2023		31st December		
				2023	2022	
Reserves as per Balance Sheet of previous accounting year)						
14 Earnings per share-(not annualised) Basic and Diluted (Rs.)	(1.93)	(0.89)	(0.02)	(2.80)	(0.18)	(0.18)

PART II
Statement of Assets and Liabilities as at 31st December, 2023

		(Rs. in lakhs)	
		As at 31 st December, 2023	As at 31st Mar, 2023
		Unaudited	Audited
<u>ASSETS</u>			
<u>Financial Assets</u>			
a.	Cash and Cash Equivalents	10.36	14.80
b.	Bank balances other than (i) above	-	-
c.	Investments	168.00	188.95
d.	Others financial assets	15.24	7.88
		193.60	211.63
<u>Non-Financial Assets</u>			
a.	Current-tax assets	1.11	1.11
b.	Other non-financial assets	1.94	-
		16.96	0.18
Total Assets		20.01	1.29
		213.61	212.92
<u>LIABILITIES AND EQUITY</u>			
1 <u>Financial Liabilities</u>			
a.	Trade payables		
	-Total outstanding dues of micro enterprises and small enterprises	0.43	0.81
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	19.55	1.57
b.	Other payables		
	-Total outstanding dues of micro enterprises and small enterprises	-	-
	-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.77	0.11
c.	Long Term Borrowings	92.57	-
		113.32	2.49
2 <u>Non-Financial Liabilities</u>			
a.	Other Non-Financial Liabilities	2.13	0.21
		2.13	0.21
<u>EQUITY AND LIABILITIES</u>			
1 <u>Shareholders' Funds</u>			
a.	Share Capital	400.00	400.00
b.	Reserves and Surplus	(301.84)	(189.78)
		98.16	210.22
Total Liabilities and Equity		213.61	212.92

For further details, please refer the section titled "**Financial Information**" on page 82 of this Letter of Offer.

7. **Outstanding Litigations**

A summary of outstanding litigation proceedings involving our Company as on the date of this Letter of Offer is provided below:

Nature of Cases	No. of outstanding cases	Amount Involved
<i>(in Rs)^</i>		
Litigation involving our Company		
Criminal proceedings by our Company	Nil	Nil
Criminal proceedings against our Company	Nil	Nil
Material civil litigation against our Company	Nil	Nil
Material civil litigation by our Company	Nil	Nil
Actions by statutory or regulatory Authorities	Nil	Nil
Direct and indirect tax proceedings	1	1,950

[^]To the extent quantifiable

For details, please refer to chapter titled "**Outstanding Litigations and Material Developments**" on page 136 of this Letter of Offer.

8. **Risk Factors**

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

9. **Contingent Liabilities**

Please refer to the chapters titled "**Financial Information**" on page 82 of the Financial Information section in this Letter of Offer.

10. **Related Party Transactions**

Please refer to "**Financial Information**" on page 82 of the Financial Information in this Letter of Offer.

11. **Issue of equity shares made in last one year for consideration other than cash**

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

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	% of Pre-Issue capital
June 28, 2023	10,99,625	10	NA	Gift	Transfer from Manish Chaudhari to Deepa Tracy	27.49%

12. **Split or consolidation of Equity Shares in the last one year**

Our Company has not carried any split or consolidation of Equity Shares in the last one year.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the "Financial Information" on page 82 of this Letter of Offer, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or 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 "Industry Overview", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages, 56, 67 and 127 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, please refer to "Forward Looking Statements" on page 17 of this Letter of Offer.

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, please refer to "Financial Information" on page 82 Of this Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Savani Financials Limited.

INTERNAL RISK FACTORS

- 1. We, as an NBFC 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.

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

The liquidity and profitability of our business majorly depends 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 a pandemic, our risk management policies, the shareholding of 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 may be unable to pass it fully or partially to our customers. Further, 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 competitors that may 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. ***There are certain legal proceedings involving our Company, Directors and Promoter, an adverse outcome in which may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

Our Company is involved in certain legal proceedings, which if determined, against us could have adverse impact on the business and financial results of our Company. A brief detail of such outstanding litigations as on the date of this Letter of Offer are as follows:

<i>(in Rs)</i>		
Nature of Cases	Number of outstanding cases	Amount Involved*
<i>Litigation involving our Company</i>		
Criminal proceedings	Nil	Nil
Outstanding Actions by regulatory and statutory authorities	Nil	Nil
Material civil litigation	Nil	Nil
Direct and indirect tax proceedings	1	1,950

We cannot provide any assurance that legal proceedings will not be initiated against our Company, its Directors or Promoter in future. For further details on the outstanding litigation proceedings, see "***Outstanding Litigation and Material Developments***" on Page 136 of this Letter of Offer.

5. ***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.

6. ***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.***

We have not paid any dividend during the last 3 years. 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.

7. ***We are required to obtain and maintain certain governmental and regulatory licenses and permits and the failure to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affect our business and operations.***

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition. Any failure by our Company to renew, maintain or obtain such material permits or approvals or comply with conditions thereof may lead to imposition of fees, charges, fines or penalties, or result in the interruption of our operations, suspension and revocation or permits and licenses, which may and may have a material

adverse effect on our business and operations, financial condition and results of operations.

8. ***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 could adversely affect the reputation of the business of our Company.***

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. Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business or result in the interruption of all or some of our Company's operations, which could have a material adverse effect on our Company's business, financial condition and results of operations.

9. ***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 under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015, Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and any other laws and regulation as applicable. While we have been generally compliant and there have been no penalties in the form of fines or other punitive action in the past, any non-compliance of the applicable laws may impose the penalty on the Company. Such a penalty may impact the profitability of the Company.

10. ***We operate in a competitive industry and our failure to successfully compete may adversely affect our business, financial condition and results of operations, and prospects.***

The NBFC Sector is highly competitive. We compete against various domestic companies and some of our competitors may have larger financial resources or access to lower cost funds. They may also benefit from greater economies of scale and operating efficiencies. Whilst we have sufficient track record and experience if we are unable to compete effectively with competitors, we may be unable to sustain or increase our volume of order intake. This Competition may result in reduced revenues, reduced margins and loss of market share. Failure to compete successfully against current or future competitors could harm our business, operating cash flows and financial condition.

11. ***We presently do not own the trademark or logo under which we currently operate and if third parties infringe the trademark, logo and intellectual property that we use, our business and reputation may be adversely affected.***

In the business in which we operate, our trademarks and other intellectual property rights are our material assets and are crucial to our business operations. We depend on trademark laws and domain name protection laws to protect our logo, trade name and domain names. As on date, we have neither obtained nor made any application for the registration of our Company's logo and tradename. For further details, see the section titled "***Our Business***" on page 67 of this Letter of Offer.

We cannot assure you that the trademarks and intellectual property that we use will be registered by the concerned authorities or not be copied or obtained by third parties. In case, our trademark or logo is being used by third parties, we will be required to resort to litigation or other proceedings to enforce, protect or defend our intellectual property rights, and/or to protect the Company against third party infringements, which may be expensive and resource-consuming and might create uncertainty as to the ownership of such rights. If we are unable to adequately protect our intellectual property and other proprietary rights, our competitive position, reputation and our business could be adversely affected, as third parties may be able to commercialize and use the brand that is substantially the same as ours to

compete with us.

12. ***Few of the corporate records are not available and further there are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with the Registrar of Companies.***

Our Company has also made some clerical/typographic mistakes in minutes of the meetings or has not maintained the minutes in strict compliance of Secretarial Standards. Although no show cause notice has been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected.

Further with the intended expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

13. ***Your holdings may be diluted by additional issuances of equity by us, which may have an impact on 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.

14. ***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.

15. ***Our inability to completely detect money laundering and other illicit actions or detect the same in a timely manner or at all 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.

16. ***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.

17. ***Failure to stay up to date 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 Company. 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.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled "***Industry Overview***" on page 56 of this 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 Letter of Offer. Further, the industry data mentioned in this 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 Letter of Offer in this context.

19. ***The COVID-19 pandemic may in the future, and any similar pandemic situations that may arise in the future, have a material adverse impact on our business, results of operations, financial condition and cash flows.***

The global spread and unprecedented impact of the COVID-19 pandemic continues to create significant volatility, uncertainty and economic disruption. The pandemic and the potential of another pandemic has led governments and other authorities around the world to implement significant measures intended to control the spread of the virus, including lockdowns, shelter-in-place orders, social distancing measures, business closures or restrictions on operations, quarantines, travel bans and restrictions and multi-step

policies with the goal of re-opening these markets. These responsive measures have severely impacted the delivery schedules of various orders/jobs under execution by the Company.

The scope, duration, and frequency of the measures implemented, and the adverse effects of COVID-19 remain uncertain and could be severe. However, the Company has tried to cope up with the situation to avoid and not to have an adverse effect on the cash flow and financial position of the Company.

EXTERNAL RISK FACTORS

- 20. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and IFRS, which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our audited summary statements of assets and liabilities as at the nine-month period ended December 31, 2023 and financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and audited summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Financial Year 2023, 2022 and 2021 have been prepared in accordance with the Ind AS, read with the Ind AS Rules and restated in accordance with the SEBI ICDR Regulations, the SEBI Circular and the Prospectus Guidance Note. We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Restated Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

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

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

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

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

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

- 22. *A slowdown in economic growth in India could cause our business to suffer.***

We are incorporated in India, and all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy

could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

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

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India;
- prevailing income conditions among Indian consumers and Indian corporations;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- prevailing regional or global economic conditions; and
- other significant regulatory or economic developments in or affecting India

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

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

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

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

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

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

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

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future.

India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

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

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

25. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

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

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

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

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

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

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

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

28. *We have experienced losses in past, and we may not achieve profitability in the future.*

We incurred loss of ₹7.36 Lakhs in Fiscal 2023, on account of costs and expenditures incurred in preparation of the proposed rights issue. However, our Company has made profit of Rs.1.51 lakhs in Fiscal 2022 and Rs. 4.55 lakhs in Fiscal 2021. Any failure to increase our revenue from operations at sufficient levels to match our expenses could adversely affect our profitability or our ability to maintain positive cash flow on a consistent basis. If we are unable to successfully address these risks and challenges as we encounter them, our business, cash flows, financial condition and results of operations could be adversely affected. If we are unable to generate adequate revenue growth and manage our expenses and cash flows, we may continue to incur significant losses in the future. In the event we continue to incur losses, our results of operations and financial conditions will continue to be materially and adversely affected. Further, our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business. For further details, see "*Restated Financial Statements*" on page 82 of this Letter of Offer.

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

Our Company has experienced negative net cash flow in operating and financing activities in the past, the details of which are set out below:

Particulars	(₹ in Lakhs)			
	Nine- month period ended December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
Net Cash Flows from Operating Activities	(115.95)	(8.38)	4.06	5.07
Net Cash Flows from Investing Activities	18.94	22.53	(11.48)	(5.49)
Net Cash Flows from Financing Activities	92.57	-	-	-
Net Increase/(Decrease) in cash and cash equivalents	(4.44)	14.15	(7.42)	(0.42)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If our Company is not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

30. *There is no monitoring agency appointed by our Company and the deployment of funds are at the discretion of our management and our Board of Directors, though it shall be monitored by the Audit Committee.*

As per SEBI (ICDR) Regulations, 2018 appointment of monitoring agency is required only for Issue size above ₹ 10,000 Lakhs. Hence, we have not appointed a monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the Stock Exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public. Our funding requirements and the proposed deployment of Net Proceeds have not been appraised by a public financial institution or a scheduled commercial bank and our management will have broad discretion over utilization of the Net Proceeds.

31. ***Any variation in the utilization of the Net Proceeds as disclosed in this Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.***

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Letter of Offer without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI (ICDR) Regulations. If our shareholders exercise such exit option, our business and financial condition could be adversely affected. Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition and may adversely affect our business and results of operations.

ISSUE SPECIFIC RISKS

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

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

33. ***SEBI has recently, by way of circulars dated January 22, 2020, May 06, 2020, July 24, 2020, January 19, 2021 and April 22, 2021 and October 01, 2021 streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 06, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, October 01, 2021 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, please refer to "***Terms of the Issue***" on page 145 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "M/S SAVANI FINANCIALS LIMITED UNCLAIMED SECURITIES SUSPENSE ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 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).

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements and will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, please refer to "*Terms of the Issue*" on page 145 of this Letter of Offer.

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

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoters and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoters and Promoter Group will not dispose of, pledge or encumber their Equity Shares in the future.

- 37. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.***

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

result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

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

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

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

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

- 40. *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.

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

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

- 42. *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.

43. *There is no public market for the Rights Equity Shares or Equity Shares outside India.*

After this Issue, there will continue to be no public market for our Equity Shares in the United States or any country other than India. In addition, the holders of the partly paid-up Rights Shares will not be able to trade in these Equity Shares till they are credited to the holders' account as fully paid-up, and thereafter there will also be no public market for the Rights Shares outside of India. We cannot assure you that the face value of the Rights Shares will correspond to the price at which the Rights Shares will trade subsequent to this Issue. This may also affect the liquidity of our Rights Shares and Equity Shares and restrict your ability to sell them.

44. *Investment in Rights Shares is exposed to certain risks. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Furthermore, the Rights Shares will not be traded with effect from the Call Record Date for the final call fixed for the determination of the Investors liable to pay Call Monies, as determined by our Board of Directors or Rights Issue Oversight Committee at its sole discretion, from time to time. The holders of the Rights Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Furthermore, until the subsistence of Rights Shares, we may not be able to undertake certain forms of equity capital raising.*

The Issue Price is ₹17.50/- (Rupees seventeen and fifty paise only) per Rights Equity Share. Investors will have to pay ₹14.00/- (Rupees fourteen only) per Rights Equity Share which constitutes 80% of the Issue Price on Application and the balance ₹3.50/- (Rupees three and fifty paise only) per Rights Equity Shares which constitutes 20% of the Issue Price on one or more subsequent Call(s), as determined by our Company's Board of Directors or the Rights Issue Oversight Committee at their sole discretion, from time to time. The Rights Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Rights Shares. This may affect the liquidity of the Rights Shares and restrict your ability to sell them.

If our Company does not receive the Call Money from the Rights Shareholders (including the Promoters and members of Promoter Group of our Company) as per the timelines stipulated in the Call notice, unless extended by our Board, the defaulting Rights Shareholders (including the Promoters and members of Promoter Group of our Company) will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made, in accordance with the Companies Act, 2013 and our Company's Articles of Association. For further details, please refer to the section titled "**Terms of the Issue**" on page 145 of this Letter of Offer. Rights Shareholders are only entitled to dividend in proportion to the amount paid-up and the voting rights (exercisable on a poll) by investors shall also be proportional to such investor's share of the paid-up Equity Share capital of our Company. If certain investors do not pay the full amount, we may not be able to raise the amount proposed under this Issue.

The ISIN IN9304E01018 representing partly paid-up Rights Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call-in respect of the partly paid-up Rights Shares, such partly paid-up Rights Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN INE304E01010 for our fully paid-up Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of allottees to whom the notice for the final Call would be sent. From the Call Record Date for each Call prior to the final Call, the trading of the Rights Shares would be suspended for an applicable period under the applicable law. Further, with effect from the Call Record Date, trading in the partly paid-up Equity Shares for which final Call have been made, would be suspended prior to the Call Record Date, for such period as may be applicable under the rules and regulations. Furthermore, the holders of the partly paid-up Rights Equity Shares will not be able to trade in these shares until they are credited to the holders' account as fully paid-up Rights

Shares. Similarly, for an applicable period, from the Call Record Date for each Call, the trading of the Rights Shares would be suspended under the applicable law.

Further, there is little history of trading of partly paid-up shares in India and therefore there could be less liquidity in this segment, which may cause the price of the Rights Shares to fall and may limit ability of Investors to sell the Rights Shares. There may also be a risk of the Rights Shares not forming part of the index.

Further, until the subsistence of Rights Shares, we cannot undertake further rights issues, further public offers, or bonus issues. In terms of Regulations 62 and 104 of the SEBI ICDR Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI ICDR Regulations.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on September 1, 2023, pursuant to Section 62(1)(a) of the Companies Act. The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on March 22, 2024. The following is a summary of this Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the chapter titled "*Terms of the Issue*" on page 145 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to 2,80,00,000 Equity Shares
Rights Entitlement	7 Equity Share for every 1 fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	Eligible Equity Shareholders in the ratio 7 (Seven) Rights Equity Share for every 1 (One) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement. Since, Eligible Equity Shareholder will hold Equity Share(s) in the multiple of 1, there will be no fractional entitlements of Equity Shares in the proposed right issue.
Record Date	April 4, 2024
Face value per Equity Shares	₹10
Issue Price per Rights Equity Shares	₹ 17.50 per Rights Equity Share (including a premium of ₹7.50 per Rights Equity Share) On Application, Investors will have to pay ₹14.00 per Rights Share, which constitutes 80% of the Issue Price and the balance ₹3.50 per Rights Equity Share which constitutes 20% of the Issue Price, will have to be paid, one or more subsequent Call(s) as determined by our Board / Rights Issue Oversight Committee at its sole discretion, from time to time.
Issue Size	Upto 2,80,00,000 Equity Shares of face value of ₹10 each for cash at a price of ₹17.50 (including a premium of ₹7.50) per Rights Equity Share aggregating up to ₹4,900 Lakhs [#] <i># Assuming full subscription and receipt of all Call Monies with respect to Rights Shares.</i>
Voting Rights and Dividend	Investors are entitled to dividend in proportion to the amount paid up and their voting rights exercisable on a poll shall also be proportional to their respective share of the paid-up equity capital of our Company. The Equity Shares issued pursuant to this Issue upon being fully paid-up shall rank pari passu in all respects with the Equity Shares of our Company.
Equity Shares issued, subscribed and paid up prior to the Issue	40,00,000 Equity Shares. For details, please refer to " <i>Capital Structure</i> " on page 47 of this Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	3,20,00,000 [#] Equity Shares <i># Assuming full subscription and receipt of all Call Monies with respect to Rights Shares.</i>

Particulars	Details of Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	3,20,00,000
Money payable at the time of Application	14.00
Scrip Details	ISIN: INE304E01010 BSE: 511577 ISIN for Rights Entitlements: INE304E20010 ISIN for Partly Paid-up Rights Equity Shares: IN9304E01018
Use of Issue Proceeds	For details, please refer to " <i>Objects of the Issue</i> " on page 49 of this Letter of Offer.
Terms of the Issue	For details, please refer to " <i>Terms of the Issue</i> " on page 145 of this Letter of Offer.

Terms of Payment

Payment Schedule is as follows:

Amount payable per Equity Share ⁽¹⁾	Face Value (₹)	Premium (₹)	Total (₹)
On Application	8.00	6.00	14.00 ⁽²⁾
One or more subsequent Call(s) as determined by our Board / Rights Issue Oversight Committee at its sole discretion, from time to time	2.00	1.50	3.50 ⁽³⁾
Total	10.00	7.50	17.50

⁽¹⁾ For further details on Payment Schedule, see "*Terms of the Issue*" on page 145 of this Letter of Offer.

⁽²⁾ Constitutes 80% of the Issue Price

⁽³⁾ Constitutes 20% of the Issue Price

Issue Schedule

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

Event	Indicative Date
Issue Opening Date	May 2, 2024
Last Date for On Market Renunciation of Rights**	May 7, 2024
Issue Closing Date*	May 10, 2024

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

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

Please refer to the chapter titled "*Terms of the Issue*" on page 145 of this Letter of Offer.

GENERAL INFORMATION

Our Company was incorporated as "Savani Investments and Leasing Limited" on December 21, 1983 under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Maharashtra. Our Company received the Certificate of Commencement of Business on April 27, 1984. The registered office of our Company was situated at 809A, Broadway Centre 2nd Floor, Dr. Ambedkar Road, Dadar-East, Mumbai 400 014. Subsequently, the name of our Company was changed to "Savani Freight & Finance Limited" on May 18, 1987, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay. Further, the name of our Company was changed to "Savani Financials Limited" on October 14, 1993, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay.

Thereafter, our Company was registered under section 45-IA of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. Our Company is registered with the Reserve Bank of India ("**RBI**") as Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies (NSI-ND-NBFC) bearing registration number B-13.01071 vide the Certificate of Registration dated October 27, 1998.

The registered office of our Company was shifted to 91, Mantra House, Marol Co-operative Industrial Estate, Mumbai 400 059 from May 11, 2012. Lastly, the registered office of our Company was shifted to 602, Samarth Vaibhav CHS Limited, Off - Link Road, Lokhandwala Complex, Andheri, Mumbai 400 053 from August 4, 2023.

Registered Office of our Company

602, Samarth Vaibhav CHS Limited
Off - Link Road, Lokhandwala Complex
Andheri, Mumbai
Maharashtra, India, 400 053
Telephone: 022 6945 4100
Website: <http://savanifinancials.co.in/>
E-mail: info@savanifinancials.co.in

Corporate Identity Number: L67120MH1983PLC031614

Registration Number: 031614

Address of the Registrar of Companies

Our Company is registered with the RoC, Mumbai, which is situated at the following address:

Registrar of Companies, Mumbai

100, Everest, Marine Drive
Mumbai 400 002

Company Secretary and Compliance Officer

Praful Sheth

602, Samarth Vaibhav CHS Limited
Off - Link Road, Lokhandwala Complex
Andheri (West), Mumbai
Maharashtra, India, 400053
Telephone: +91 98209 04374
E- mail: info@savanifinancials.co.in

Legal Advisor to the Issue

Rajani Associates, Advocates and Solicitors

204-207, Krishna Chambers
59, New Marine Lines

Mumbai 400 020
Telephone: +91 22 4096 1000
E-mail: sangeeta@rajaniassociates.net
Contact Person: Sangeeta Lakhi

Board of Directors of our Company

Name	Age	Designation	Address	DIN
Deepa Tracy	71	Managing Director	A-1401, Terra, Rustomjee Elements, Link Road, New DN Nagar, Near Juhu Circle, Mumbai 400 053	00516615
Ajay Anantrai Patadia	49	Additional Independent Director	1501, Sorrento, Veera Desai Road, Opposite Country Club, Andheri-West, Mumbai 400 053	00298226
Vikrant Ponshe Prabhakar	55	Additional Executive Independent Director	Non- Shree 57, Mukund Nagar, Near Ekbote Showroom, Pune City, Pune 411 037	06985597
Jitendra Negandhi[#]	71	Additional Independent Director	304, Gayatri Dham, Derasar Lane, opposite Tital showroom, Ghatkopar (East), Mumbai 400 077	00787799
Ramamoorthy Ravishankar[#]	61	Additional Independent Director	Old no 203, Bagirathi Ammal Street, Thygarayanagar, Chennai 600 017	01907858
Purvi Ramesh Ambani[#]	49	Additional Executive Independent Director	Non- Flat number 19, Non- Nandavan CCHS 2nd floor, Dr. Ansari Road, Vile Parle (west), Mumbai 400 056	06546129

Note: Suresh Madhav Mhatre has ceased to be a non-executive director of the Company w.e.f. April 1, 2024. The Board of Directors have recorded and approved the same in their meeting held on April 10, 2024. Further, the Company has intimated the BSE in this regard and is in the process of filing the relevant statutory forms with the RoC.

[#]The Board of Directors have recorded and approved the appointment of Jitendra Negandhi, Ramamoorthy Ravishankar, and Purvi Ramesh Ambani in their meeting held on April 10, 2024. Further, the Company has intimated the BSE in this regard and is in the process of filing the relevant statutory forms with the RoC.

For detailed profile of our Directors, please refer to the chapter titled "**Our Management**" on page 72 of this Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company

Registrar and Share Transfer Agent to the Company and the Issue

Bigshare Services Private Limited

Office No S6-2, 6th Floor
Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road
Andheri (East), Mumbai, Maharashtra, 400093
Telephone: 022 - 6263 8200
Email: rightsissue@bigshareonline.com
Website: www.bigshareonline.com
Investor grievance e-mail: investor@bigshareonline.com
Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

Banker to the Company

Kotak Mahindra Bank Limited

5th Floor, Plot number C-12

G Block, Bandra Kurla Complex,

Bandra East, Mumbai 400 051

Telephone Number: 022- 6218 5757

Contact person: Mayank Dassani/ Kimaya Banga

Website: www.kotak.com

E-mail: mayank.dassani@kotak.com/ kimaya.banga@kotak.com

Banker to the Issue/ Escrow Collection Bank/ Refund Bank

ICICI Bank Limited

Capital Market Division, 163

5th floor, HT Parekh Marg

Churchgate, Mumbai 400 020

Telephone Number: 022 6805 2182

Contact person: Varun Badai

Website: www.icicibank.com

E-mail: ipocmg@icicibank.com

SEBI Registration Number: INBI00000004

Statutory auditors of the Issuer

Jayantilal Thakkar & Co

111- A, Mahatma Gandhi Road,

Fort, Mumbai 400023

Firm Registration Number: 104133W

Membership No.: 116279

Telephone Number: 022 22658800

E-mail: jtco23@jtco.co.in

Peer Review Certificate Number: 013084

Experts

Our Company has received a written consent dated December 12, 2023, from our Statutory Auditors, Jayantilal Thakkar & Co, to include their name in this Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

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

Inter-se Allocation of Responsibilities

The Company has not appointed any merchant banker to the Issue (except for the purpose of obtaining pricing certificate, as may be required) and hence there is no inter-se allocation of responsibilities.

Credit Rating

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

Debenture Trustees

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

Monitoring Agency

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

Underwriting Agreement

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

Appraising Entity

The objects of this Issue have not been appraised by any bank or any other independent financial institution or any other independent agency.

Changes in Auditors during the last three years

Name of Auditor	Address and E-mail	Date of Appointment/ Cessation	Reason
Jayantilal Thakkar & Associates <i>Firm Registration Number: 104133W</i>	<i>Address:</i> 111- A, Currimjee Building, M. G. Road, Fort, Mumbai, Maharashtra 400023 <i>E-mail:</i> jtco23@jtco.co.in	April 1, 2023	Appointment due to resignation of previous auditors
SCA & Associates <i>Firm Registration Number: 101174W</i>	<i>Address:</i> B-104, Kanakia Zillion, BKC Annexe, LBS / CST Road Junction, Near Kurla Bus Depot, Kurla West, Mumbai - 400 070. <i>E-mail:</i> mail@scaassociates.com	August 11, 2023	Cessation due to professional pre-occupancy
Nilesh Lakhani & Associates <i>Firm Registration Number: 113817W</i>	Office No.7 & 8, Patel Shopping Centre, Sainath Road, Malad West, Mumbai - 400 064 <i>E-mail:</i> lakhanint@hotmail.com	September 12, 2022	Cessation due to retirement

Issue Schedule

Last Date for credit of Rights Entitlements	April 30, 2024
Issue Opening Date	May 2, 2024
Last date for On Market Renunciation of Rights Entitlements[#]	May 7, 2024
Issue Closing Date[*]	May 10, 2024
Finalization of Basis of Allotment (on or about)	May 17, 2024

Date of Allotment (on or about)	May 18, 2024
Date of credit (on or about)	May 22, 2024
Date of listing (on or about)	May 24, 2024

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date have not provided details of their demat accounts to our Company or to the Registrar, they must provide their demat account details to our Company or the Registrar no later than two Working Days prior to the Issue Closing Date, i.e., May 10, 2024, to enable credit of the Rights Entitlements to their respective demat accounts by transfer from the demat suspense escrow account, which will happen one day prior to the Issue Closing Date, i.e., May 10, 2024.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. It is encouraged that the Application Forms are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to "**Terms of the Issue - Procedure for Application**" on page 156 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholder may be accessed by such respective Eligible Equity Shareholder on the website of the Registrar at www.bigshareonline.com after keying in their respective details along with other security control measures implemented thereat. For further details, please refer to "**Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" on page 147 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before the Issue Closing Date, such Rights Entitlements shall lapse 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 the market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who receive credit of the Rights Entitlements must make an Application to subscribe to the Equity Shares offered under the Rights Issue.

Minimum Subscription

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

Filing

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI ICDR Regulations as per which the threshold for filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI ICDR Regulations has been increased from Rupees one thousand lakhs to Rupees five thousand lakhs. Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with BSE and not with SEBI. However, the Letter of Offer will be submitted with SEBI for information and dissemination and will be filed with the Stock Exchanges.

CAPITAL STRUCTURE

The share capital of our Company, as at the date of this Letter of Offer, and details of the Equity Shares proposed to be issued in the Issue, and the issued, subscribed and paid-up share capital after the Issue, are set forth below:

(in ₹, except shares data)

	Aggregate value at Face Value	Aggregate value at Issue Price
A AUTHORISED SHARE CAPITAL		
3,80,00,000 Equity Shares of ₹ 10 each and 25,00,000 Redeemable Preference Shares of ₹ 10 each	38,00,00,000	-
B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE*		
40,00,000 Equity Shares of ₹ 10 each	4,00,00,000	-
C PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER⁽¹⁾		
Up to 2,80,00,000 Equity Shares, each at a premium of ₹7.50 per Equity Share, i.e., at a price of 17.50 per Equity Share ⁽²⁾	28,00,00,000	-
D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE⁽³⁾		
3,20,00,000 Equity Shares of ₹10 each partly paid-up ⁽⁴⁾	32,00,00,000	-
E SECURITIES PREMIUM ACCOUNT		
Before the Issue		3,32,08,100
After all Calls made in respect of Rights Shares		24,32,08,100*

⁽¹⁾The Issue has been authorized by a resolution of our Board of Directors passed at its meeting held on September 1, 2023, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable provisions.

⁽²⁾On Application, Investors will have to pay ₹14.00/- per Rights Equity Share which constitutes 80% of the Issue Price and the balance ₹3.50/- per Rights Equity Share which constitutes 20% of the Issue Price, will have to be paid, on Calls, as determined by our Board / Rights Issue Oversight Committee at its sole discretion from time to time.

⁽³⁾ Assuming full subscription by the Eligible Equity Shareholders of the Rights Equity Shares. Please note that the Payment Schedule and the right to call up the remaining paid-up capital in one or more subsequent Calls will be as determined from time to time, at its sole discretion, by our Board or its Rights Issue Oversight Committee.

⁽⁴⁾ Assuming full payment of all Call Monies by holders of Rights Equity Shares.

*Subject to finalization of Basis of Allotment and Allotment of Rights Equity Shares.

Notes to the Capital Structure

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

Our Promoter and entities forming part of our Promoter Group have, vide their letters dated October 10 2023, indicated their intention to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement renounced in their favour by any other Promoter or member of the Promoter Group of our Company.

Further, they reserve the right to apply for, and subscribe to, additional Rights equity shares, including subscribing to the unsubscribed portion (if any), subject to compliance with the minimum public shareholding requirement as prescribed under the SCRR and the SEBI Listing Regulations.

The ex-rights price of the Equity Shares offered pursuant to this Issue and in compliance with the valuation formula set out in Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹17.53 per Equity Share.

2. Shareholding Pattern of our Company as per the last filing with the Stock Exchange, in compliance with the provisions of the SEBI LODR Regulations:

- (i) The shareholding pattern of our Company, as on December 31, 2023, may be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/savani-financials-ltd/savfi/511577/shareholding-pattern/>
- (ii) A statement as on December 31, 2023 showing holding of Equity Shares of persons belonging to the category of "Promoter and Promoter Group", including details of lock-in, pledge and encumbrance thereon, may be accessed on the website of the BSE at

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=511577&qtrid=120.01&QtrName=31-Dec-23>

- (iii) A statement as on December 31, 2023, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=511577&qtrid=120.01&QtrName=31-Dec-23>.

3. **Details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group:**

As on date of filing of this Letter of Offer, none of our Promoters and Promoter Group have any shares locked-in, pledged, or encumbered.

4. **Details of specified securities acquired by our Promoters and Promoter Group in the last one year immediately preceding the date of filing of the Letter of Offer**

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

Date of allotment/ acquisition	Number of Equity Shares allotted/ transferred	Face value per Equity Share (₹)	Issue Price per Equity Share (₹)	Nature of consideration	Nature of allotment/ transfer	% of Pre-Issue capital
June 28, 2023	10,99,625	10	NA	Gift	Transfer from Manish Chaudhari to Deepa Tracy	27.49%

5. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Letter of Offer.
6. Our Company shall ensure that any transaction in the Equity Shares by the Promoters and the Promoter Group during the period between the date of filing this Letter of Offer and the date of closure of the Issue shall be reported to the Stock Exchange within 24 hours of such transaction.
7. At any given time, there shall be only one denomination of the Equity Shares of the Company.
8. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Rights Issue, shall be fully paid up. For further details on the terms of the Issue, please see the section entitled "*Terms of the Issue*" on page 145 of this Letter of Offer.
9. As on the date of this Letter of Offer, our Company has no employee stock option scheme.

OBJECTS OF THE ISSUE

The Net Proceeds from the Issue are proposed to be utilised by our Company for the following objects (*collectively referred to as "Objects"*):

1. To augment our capital base;
2. Repay the Unsecured loan along with interest of Rs. 1.98 lakhs to the Director post the completion of the Rights issue, sum estimated at as of Rs. 91.98 Lakhs.
3. General Corporate Purposes

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

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

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

Net Proceeds

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

	(₹ In Lakhs)
Particulars	Estimated
Gross Proceeds from the Issue*	4,900.00
Less: Issue Related Expense [#]	94.79
Net Proceeds	4,805.21

*Assuming full subscription and Allotment of the Rights Entitlement

[#]To be finalised upon determination of the Issue Price and updated in this Letter of Offer.

Requirement of Funds

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

	(₹ In Lakhs)
Particulars	Estimated
To augment our capital base	3,550
Repay Unsecured loan to Director Ms. Deepa Tracy	91.98*
General Corporate Purposes [#]	1,163.23
Net Proceeds from the Issue	4,805.21

[#]The amount shall not exceed 25% of the Gross Proceeds.

*Includes interest of Rs. 1.98 Lakhs

Schedule of Implementation and Deployment of Funds

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

The funds deployment described herein is based on management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business strategy, including external factors which may not be within the control of our management. This may entail rescheduling and revising the planned funding requirements and deployment and increasing or decreasing the funding requirements from the planned funding requirements at the discretion of our management. Accordingly, the Net Proceeds of the Issue would be used to meet all or any of the purposes of the funds requirements described herein.

Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

Details of the Objects of the Issue

1. To augment our capital base.

We are a Registered NBFC with RBI, and we will be primarily focusing on providing credit to borrowers. We are licensed to carry out the business of financing and investing. We are categorised as Non-Deposit taking Non-Banking Financial Company ('ND-NBFC'). Since our net worth has reduced considerably due to losses in the last three financial years, we propose to augment our capital base through this Issue and utilize the funds raised to increase the operational scale of our NBFC activities. The amount raised will primarily be used to expand our business operations. We intend to increase our lending/ financing portfolio.

2. Repayment/pre-payment, in full or part, of certain identified unsecured loans availed by our Company from our Director Ms. Deepa Tracy.

Our Company has availed unsecured loans from Director Ms. Deepa Tracy. These unsecured loans were raised by our Company for the purpose of the business of the Company. Our Company intends to utilize ₹91.98 Lakhs of the Net Proceeds towards repayment of the unsecured loans. The unsecured loans are repayable within 30 days of our Director providing a written notice of demand to the Company.

The following table provides details of the relevant terms of the unsecured loans that have been availed by our Company from our Director Ms. Deepa Tracy, out of which we may repay/ prepay, in full or in part, any or all of its respective loans/facilities, without any obligation to pay/ repay any particular lender in priority to the other:

							(₹ in lakhs)
Sr. No.	Name of Director/ Lender	Tenure	Purpose of Loan	Interest rate (%) p.a.	Outstanding unsecured loans as on 30 th November, 2023	Proposed repayment from Net Proceeds	
1	Ms. Deepa Tracy	One year	Business Activities	12% p.a.	91.98*	91.98*	

Note: As certified by Jayantilal Thakkar & Co., Chartered Accountants vide their certificate dated December 11, 2023

*Includes interest of Rs. 1.98 Lakhs

Given the nature of these borrowing facilities and the terms of repayment, the aggregate outstanding unsecured loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements to avail unsecured loans. In such cases or in case any of the above unsecured loans are paid or further unsecured loans have been availed prior to the completion of the Issue, we may utilise Net Proceeds of the Issue towards repayment of such additional unsecured loans.

Our management will have the discretion to revise our business plan from time to time and consequently our funding requirement and deployment of funds may change. This may also include rescheduling the proposed utilization of Net Proceeds. Our management, in accordance with the policies of our Board and applicable Regulations, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Fiscal, we will utilize such unutilized amount in the subsequent Fiscals.

Undertaking by our Promoters

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 47 of this Letter of Offer

Issue Related Expenses

The total expenses of the Issue are estimated to be ₹94.79 lakhs. The break-up for the Issue expenses is as follows:

Activity	Estimated Amount	₹ In lakhs)*	
		As a % of total estimated issue expenses*	As a % of issue size*#
Fees of the RTA, and legal advisor, other professional service providers	35.86	37.83	0.73
Fees payable to regulators, including depositories, Stock Exchange and SEBI(If any)	44.19	46.62	0.90
Statutory advertising, marketing, printing and distribution	8.84	9.33	0.18
Other expenses (including miscellaneous expenses)	5.90	6.22	0.12
Total estimated Issue expenses^	94.79	100.00	1.93

*Subject to finalisation of Basis of Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds received at the time of receipt of the subscription amount to the Rights Equity Shares.

The amount utilized towards Issue expenditure is ₹94.79 Lakhs which is certified by the Statutory auditor Jayantilal Thakkar & Co vide his certificate dated April 4, 2024; bearing UDIN No: 24123337BKATID8100.

^Excluding taxes

#Assuming full subscription.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, or other permitted assets for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies. Further, our Company confirms that the borrowings proposed to be repaid from the Net Proceeds have not been utilised towards any payments, repayment / refinancing of any loans availed from the Promoter Group or Group Companies

Bridge financing facilities and other financial arrangements

Our Company has not raised any bridge loans or entered into any other similar financial arrangements from / with any bank or financial institution as on the date of this Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Monitoring of Utilisation of Funds

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. Pursuant to Regulation 18(3) of

the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Letter of Offer and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company.

Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised, require appraisal from any agency in terms of applicable law.

Other Confirmations

Save and except repayment of loans and interest thereon as mentioned in Objects of the Issue section, no part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, Group Companies or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilisation of the Net Proceeds. 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.

Interest of Promoters, Promoter Group and directors, as applicable to the project or objects of the issue.

Our Promoter has vide letter dated December 11, 2023 confirmed that an amount of ₹91.98 Lakhs, which has been availed by our Company, in the nature of unsecured loans as per the details mentioned in the above table, is proposed to be repaid along with interest due post completion of the rights issue.

Save and except repayment of loans and interest thereon as mentioned elsewhere, none of our Promoters, members of the Promoter Group and Directors have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Promoter Group, Directors and Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment / prepayment of unsecured loans availed by our Company from our Promoters and member of Promoter Group and interest thereon as cited above.

STATEMENT OF SPECIAL TAX BENEFITS

Date: December 8, 2023

To,
The Board of Directors
Savani Financials Limited
602, Samarth Vaibhav CHS Limited
Off - Link Road, Lokhandwala Complex
Andheri (West), Mumbai
Maharashtra, India, 400053

Sub: Statement of possible special tax benefits available to Savani Financials Limited and its shareholders prepared in accordance with the requirements under Schedule VI (Part B) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations") for incorporation in Draft Letter of Offer/Letter of Offer ("the Issue")

1. We, Jayantilal Thakkar & Co. ("the Firm"), Chartered Accountants, the Statutory Auditor hereby confirm the enclosed statement ("Statement") in the Annexure prepared and issued by the Company and initialed by us for identification purpose, which provides the possible special tax benefits under Income-tax Act, 1961 ('Act') presently in force in India viz. the Income-tax Act, 1961, ('Act'), the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, possible special tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2022 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2023-24, available to the Company and its shareholders. Several of these benefits are dependent on the Company and its shareholders as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders, and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions prescribed under the relevant statutory provisions, which are based on business imperatives the Company and its shareholders face in the future, the Company and its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part B) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.
4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax

information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, or governmental taxing authority or agency.

6. We do not express any opinion or provide any assurance whether:
 - The Company, its shareholders and Material Subsidiary will continue to obtain these benefits in future;
 - The conditions prescribed for availing of the benefits have been/would be met;
 - The revenue authorities/courts will concur with the views expressed herein.
7. 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 have relied upon the information and documents of the Company to be true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of our partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.
8. Our work has been performed solely to assist you in meeting your responsibilities in relation to your compliance with the SEBI ICDR Regulations. Our obligations in respect of this certificate are entirely separate from and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are subject to this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.
9. We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

For Jayantilal Thakkar & Co

Chartered Accountants

FRN: 104133W

Viral A. Merchant

Partner / Proprietor

M No: 116279

UDIN: 23116279BGWHXE7839

Place: Mumbai

Date: December 8, 2023

Annexure 'A'

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDER UNDER APPLICABLE DIRECT AND INDIRECT TAXATION LAWS.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

No Special Tax benefits available to the Company

There are no possible special tax benefits available to the company under Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

2. SPECIAL TAX BENEFITS TO THE SHAREHOLDERS

No Special Tax benefits available to the Shareholders

The shareholders of the Company are also not eligible for any special tax benefits under the provisions of the Income Tax Act, 1961 read with the relevant Income Tax Rules, 1962, the Customs Tariff Act, 1975 and/or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017 and Goods and Services Tax (Compensation to States) Act, 2017 read with the relevant Central Goods and Services Tax Rules, 2017, Integrated Goods and Services Tax Rules, 2017, Union Territory Goods and Services Tax Rules, State Goods and Services Tax Rules, 2017 and notifications issued under these Acts and Rules and the foreign trade policy.

Notes:

- a) We have not considered the general tax benefits available to the Company, or shareholders of the Company.
- b) The above is as per the prevalent Tax Laws as on date.
- c) The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of Equity Shares.
- d) This Statement does not discuss any tax consequences in any country outside India of an investment in the Equity Shares. The subscribers of the Equity Shares in a country other than India are urged to consult their professional advisers regarding possible income-tax consequences that apply to them.
- e) This Annexure 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 tax advisor with respect to specific taxes arising out of the shares allotted.
- f) No assurance is provided 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.

The above statement of possible direct/indirect tax benefits sets out the provisions of the 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.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

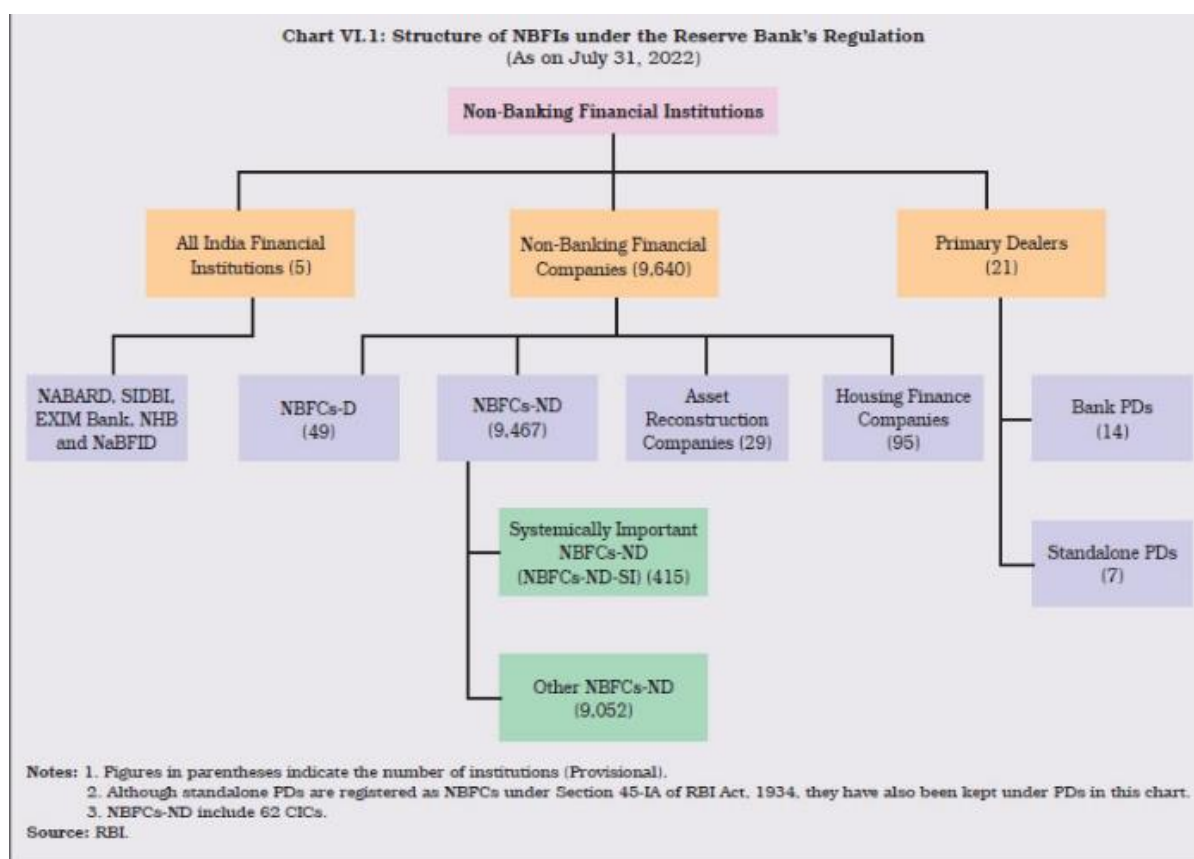
Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Non-Banking Financial Company

Introduction

A Non-Banking Financial Company (NBFC) is a company registered under the Companies Act, 1956 engaged in the business of loans and advances, acquisition of shares /stocks/ bonds /debentures /securities issued by Government or local authority or other marketable securities of a like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of agriculture activity, industrial activity, purchase or sale of any goods (other than securities) or providing any services and sale/purchase/construction of immovable property. A non-banking institution which is a company and has principal business of receiving deposits under any scheme or arrangement in one lump sum or in installments by way of contributions or in any other manner, is also a non-banking financial company (Residuary non-banking company).

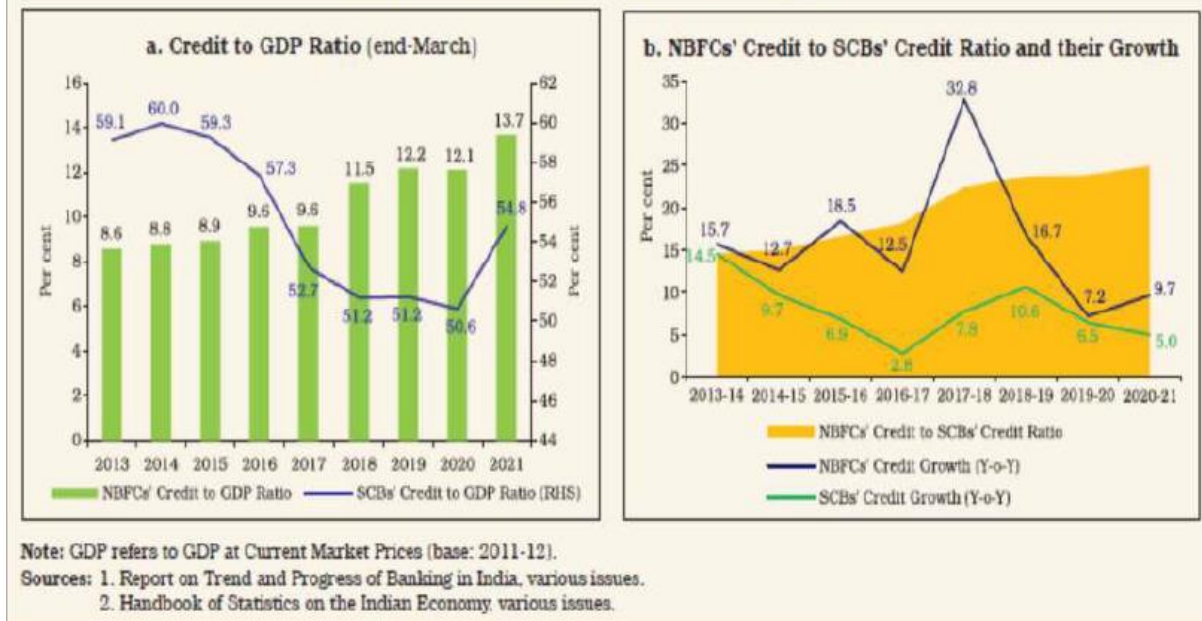
(Source: <https://www.rbi.org.in/commonperson/English/Scripts/FAQs.aspx?Id=1167>)



NBFC Market : Outlook

The growing importance of the NBFC sector in the Indian financial system is reflected in the consistent rise of NBFCs' credit as a proportion to GDP as well as in relation to credit extended by scheduled commercial banks (SCBs) (Charts VI.2a and b).

Chart VI.2: NBFCs' Credit vis-à-vis SCBs' Credit and GDP



In terms of asset/liability structures, NBFCs are subdivided into deposit-taking NBFCs (NBFCs-D) - which accept and hold public deposits - and non-deposit taking NBFCs (NBFCs-ND). Among non-deposit taking NBFCs, those with asset size of ₹500 crore or more are classified as non-deposit taking systemically important NBFCs (NBFCs-ND-SI).

After the regulatory overhaul in October 2022, NBFCs are segregated into four layers, namely, Base Layer (NBFC-BL), Middle Layer (NBFC-ML), Upper Layer (NBFC-UL) and Top Layer (NBFC-TL), based on their size, activity, and perceived level of riskiness. In terms of size, NBFC-BL comprises all NBFCs-ND with asset size below ₹1,000 crore. NBFCs-ND with asset size above ₹1,000 crore and NBFCs-D are put in NBFC-ML. NBFC-UL comprises those NBFCs (including NBFCs-D) which are specifically monitored by the Reserve Bank on the basis of a set of parameters and scoring methodology. The framework also envisages that top ten eligible NBFCs in terms of their asset size shall always reside in NBFC-UL. Accordingly, the Reserve Bank has identified and placed 16 NBFCs (including HFCs) in NBFC-UL. NBFC-TL shall ideally remain empty and will be populated if the Reserve Bank perceives a substantial increase in the potential systemic risk from specific NBFCs in NBFC-UL. Apart from scale, the new regulatory framework also prescribes activity-based regulation for NBFC. The Reserve Bank also specified a Prompt Corrective Action (PCA) framework for NBFCs in the middle and upper layers to further strengthen its oversight over these segments

New Regulatory Framework for NBFCs

Over the years, the NBFC sector in India has made rapid strides, furthering financial inclusion by offering tailored financial products to segments underserved by banks. In recent years, however, many NBFCs have assumed systemic significance with inter-linkages across the financial system. In keeping with the principle of proportionality, the Reserve Bank recently introduced scale-based regulation (SBR) for NBFCs, thereby narrowing the regulatory arbitrage between banks and large NBFCs while preserving operational flexibility.

An analysis of supervisory data reveals that NBFCs residing in the middle and upper layers account for almost 95 per cent of the total assets and may pose systemic risks (Charts 1a and b). As a result, the Reserve Bank has prescribed progressively stringent regulatory regimes for NBFCs in these two layers.

The Reserve Bank has also extended its Prompt Corrective Action (PCA) framework, akin to that applicable to banks, to NBFCs in the middle and upper layers⁵ so as to undertake remedial measures in a timely manner if vital financial parameters breach the prescribed thresholds. In case of NBFCs-ND-SI and NBFCs-D, capital adequacy

ratio (CRAR), Tier- I capital ratio and net non-performing assets (NNPA) ratio are the key indicators used to demarcate various risk thresholds (RT)6 (Table 1).

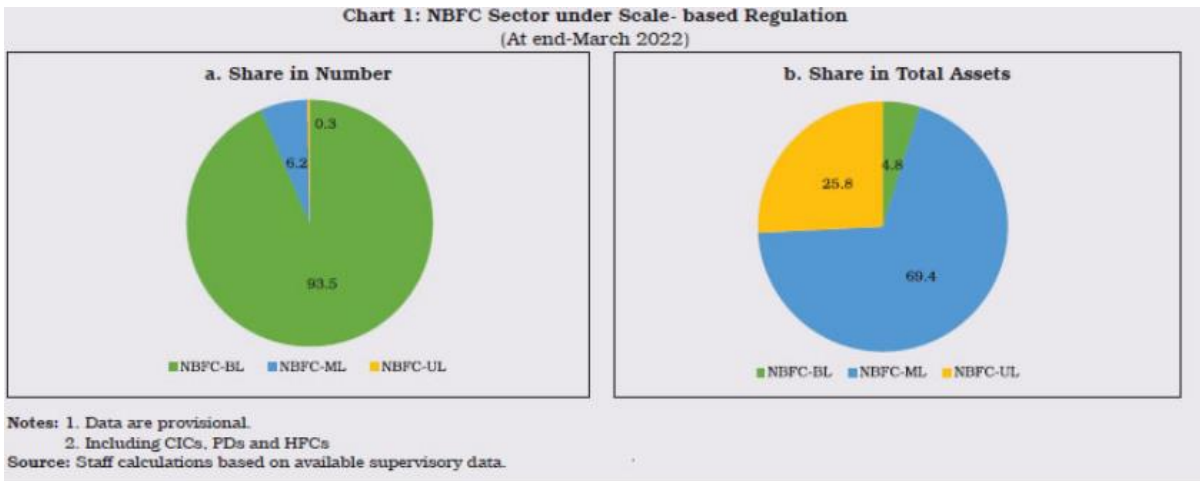
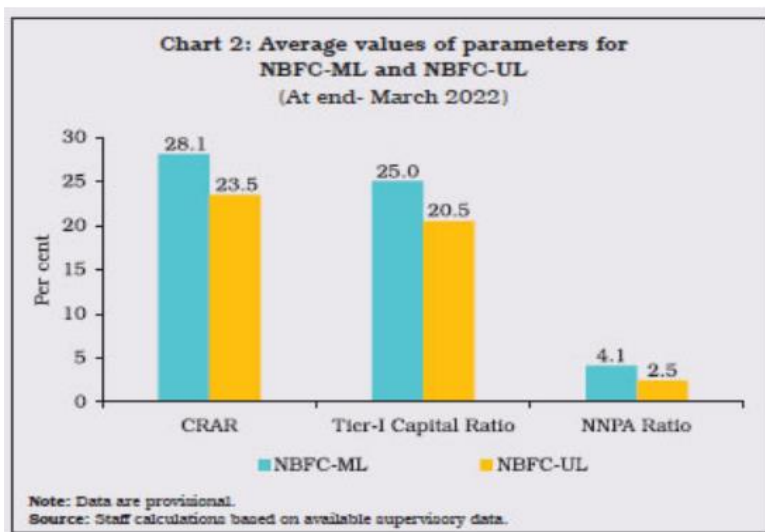


Table 1: Risk Thresholds defined under PCA Framework for NBFCs-ND-SI and NBFCs-D.

Indicator	RT-1	RT-2	RT-3
CRAR	Less than the regulatory minimum of 15 per cent but greater than or equal to 12 per cent.	Less than 12 per cent but greater than or equal to 9 per cent.	Less than 9 per cent.
Tier-I Capital Ratio	Less than the regulatory minimum of 10 per cent but greater than or equal to 8 per cent.	Less than 8 per cent but greater than or equal to 6 per cent.	Less than 6 per cent.
NNPA Ratio	Greater than 6 per cent but less than or equal to 9 per cent.	Greater than 9 but less than or equal to 12 per cent.	Greater than 12 per cent.

Supervisory data suggest that at the aggregate level, NBFC-ML and NBFC-UL are adequately capitalised, with low delinquency ratios (Chart 2). A granular analysis of NBFCs populating various risk thresholds reveals that the 10 NBFC-UL7, which include three NBFCs-D and seven NBFCs-ND-SI, fulfil the regulatory norms in all the three parameters. The Reserve Bank engages in continuous monitoring of these companies to maintain system-level resilience.

In case of NBFC-ML, around 90 per cent of the NBFCs considered in the analysis meet the regulatory norms in all three parameters. Some companies, however, are currently undergoing arbitration and resolution under the Insolvency and Bankruptcy Code (IBC) and Prudential Framework for Resolution of Stressed Assets, 2019 and are in breach of the prescribed risk thresholds. Going forward, it is expected that once the companies successfully undergo resolution, they will be able to maintain healthy prudential ratios.



(Source: <https://www.rbi.org.in/Scripts/PublicationsView.aspx?id=21580>)

FINANCIAL SERVICE INDUSTRY

The country's financial services sector consists of capital markets, the insurance sector and non-banking financial companies (NBFCs). India's gross national savings (GDS) as a percentage of Gross Domestic Product (GDP) stood at 30.73% in 2020. The number of Ultra High Net Worth Individuals (UHNWI) is estimated to increase from 12,069 in 2022 to 19,119 in 2027. India's UHNWIs are likely to expand by 63% in the next five years. India is expected to have 6.11 lakh HNWI in 2025.

India has scored a perfect 10 in protecting shareholders' rights on the back of reforms implemented by the Securities and Exchange Board of India (SEBI) in the World Bank's Ease of Doing Business 2020 report.

India's Mutual Fund industry has experienced immense growth. In May 2021, the mutual fund industry crossed over 10 crore folios. 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 plans (SIP) stood at US\$ 18.09 billion (Rs. 1.5 lakh crore). Equity mutual funds registered a net inflow of US\$ 294.15 billion (Rs. 22.16 trillion) by the 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.

About 17% of assets in the mutual fund industry were generated from B30 locations in December 2021. These assets increased by 25%, from US\$ 68.33 billion (Rs. 5.13 lakh crore) in January 2021 to US\$ 85.51 billion (Rs. 6.42 lakh crore) in January 2022.

The Government of India has taken various steps to deepen reforms in the capital market, including simplification of the IPO process, which allows qualified foreign investors (QFIs) to access the Indian bond market. In 2019, investment in Indian equities by foreign portfolio investors (FPIs) touched a five-year high of Rs. 101,122 crore (US\$ 14.47 billion). Investment by FPIs in India's capital market reached a net US\$ 1.42 billion (Rs. 11,631 crore) in April 2023. Investment by FPIs in India's capital market reached a net US\$ 177.73 billion (Rs. 12.52 lakh crore) between FY21 (till August 10, 2020). In FY22, US\$ 14.55 billion was raised across 127 initial public offerings (IPOs). The number of companies listed on the NSE increased from 135 in 1995 to 5,311 as of January 2023.

India's market capitalization had surged by 25% from October 2021, it was at US\$ 3.15 trillion. Indian stock market rally made investors US\$ 953.68 billion (Rs. 72 lakh crore) in 2021, and Sensex reached an all-time high of 62,868.5 on December 2, 2022. 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.

The number of Demat accounts in India reached 11.6 crore in April 2023. The number of companies listed on the NSE increased from 135 in 1995 to 5,311 as of January 2023.

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

In the Union Budget 2023-24, India announced to set up the National Financial Information Registry which shall serve as the central repository of financial and ancillary information to facilitate the efficient flow of credit, promoting financial inclusion, and fostering financial stability. A new legislative framework is to be designed in consultation with RBI to govern this credit public infrastructure.

In the Union Budget 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee. In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a personal 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.

On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be

charged by non-banking financial companies - microfinance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.

In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

In July 2021, India's largest commodities derivatives exchange, Multi Commodity Exchange of India Ltd., and European Energy Exchange AG (EEX) signed a memorandum of understanding (MOU) with the goal of knowledge sharing and expertise exchange on electricity derivative products. This MoU will make it easier for the two exchanges to collaborate in areas including knowledge sharing, education and training, and event planning in the field of electricity derivatives.

In January 2021, the National Stock Exchange (NSE) launched derivatives on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors more flexibility to manage their finances.

In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assets and register complaints against 'Benami' properties.

India's insurance industry has huge growth potential. India's insurance market is expected to reach US\$ 250 billion by 2025. It also offers an opportunity of US\$ 78 billion of additional life insurance premiums between 2020-30. The government has approved 100% FDI for insurance intermediaries and increased the FDI limit in the insurance sector to 74% from 49% under the Union Budget 2021-22. The total first-year premium of life insurance companies reached US\$ 40.1 billion in FY22.

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

INTRODUCTION

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

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

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

Indian Economy to be a major part of world trade

Along with being one of the fastest growing economies in the world, India ranked fifth in the world in terms of nominal GDP for 2023 according to IMF forecasts (World Economic Outlook – April Update). India overtook the UK to become the fifth largest economy in the world in calendar year 2022. In terms of purchasing power parity (“PPP”), India is the third largest economy in the world, only after China and the United States.

GDP Ranking of key economies across the world (2023)

Country	GDP Rank	% Share (World GDP)	PPP Rank	% share (GDP, PPP)
United States	1	25.4%	2	15.4%
People's Republic	2	18.4%	1	18.9%

of China				
Japan	3	4.2%	4	3.7%
Germany	4	4.1%	5	3.2%
India	5	3.5%	3	7.5%
United Kingdom	6	3.0%	10	2.2%
France	7	2.8%	9	2.2%
Italy	8	2.1%	12	1.8%
Canada	9	2.0%	15	1.4%
Brazil	10	2.0%	8	2.3%
Russian Federation	11	2.0%	6	2.9%
Republic of Korea	12	1.6%	14	1.7%

(Source : Source: IMF (World Economic Outlook – April 2023 update), CRISIL MI&A)

With continuous growth in the GDP, India is expected to become the third largest global economy by 2030, as per the Centre for Economics and Business Research (the “CEBR”). This growth in India’s GDP is expected to be driven by rapid urbanization, rising consumer aspiration and increasing digitisation coupled with Government support in the form of reforms and policies that are expected to support growth.

INVESTMENTS/DEVELOPMENTS

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 BillDesk for US\$ 4.7 billion.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called ‘Account Aggregator’ to enable consumers to consolidate all their financial data in one place.
- In September 2021, Piramal Group concluded a payment of US\$ 4.7 billion (Rs. 34,250 crore) to acquire Dewan Housing Finance Corporation (DHFL).

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

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.

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

NBFC: GROWING IN PROMINENCE

- Non-banking financial companies (NBFCs) are rapidly gaining prominence as intermediaries in the retail finance space
- NBFCs finance more than 80% of equipment leasing and hire purchase activities in India
- The public funds of NBFCs increased from US\$ 278.23 billion in 2016 to US\$ 470.74 billion in 2020 at a CAGR of 14.04%.
- There were 9,500 NBFCs registered with the RBI as of October, 2022.
- In December 2020, the Reserve Bank of India issued a draft circular on the declaration of dividends by NBFCs, wherein it proposed that NBFCs should have at least 15% Capital to Risk-Weighted Assets Ratio (CRAR) for the last 3 years, including the accounting year for which it proposes to declare a dividend.
- In July 2021, Rajya Sabha approved the Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.
- 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 29, 2021, SBI announced that it has signed an agreement with three non-banking finance company-microfinance institutions (NBFC-MFIs) for co-lending to joint liability groups (JLGs).
- On January 25, 2023, Legal and insolvency financing start-up LegalPay entered into a joint venture with Goldi Solar Group to launch Padmalaya Finserve. The NBFC plans to disburse US\$ 121 million (Rs 1,000 crore) towards legal expenses by FY24.

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

RECENT TRENDS

1. INSURANCE SECTOR:

- New distribution channels such as bank assurance, online distribution and Non-Banking Financial Companies (NBFCs) have widened the reach and reduced operational costs.
- In November 2020, LIC took initiatives to facilitate quicker proposal completion by launching a digital application – ANANDA.
- India's general insurance market is expected to grow at a compound annual growth rate (CAGR) of 6.2% during 2019-2023.

2. MOBILE WALLETS:

- As the RBI allows more features such as unlimited fund transfer between wallets and bank accounts, mobile wallets will become strong players in the financial ecosystem.
- India's mobile wallet industry is estimated to grow at a CAGR of 148% to reach US\$ 4.4 billion by 2022.
- In July 2023, Unified Payments Interface (UPI) recorded 9.96 billion transactions worth US\$ 184.16 billion (Rs. 15.34 Lakh crore).

3. DIGITAL TRANSACTIONS:

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure. India's digital payment is estimated to increase to US\$ 1 trillion by 2023.
- In the Union budget of 2022-23, India has announced plans for a central bank digital currency (CBDC) which will be known as Digital Rupee.
- The number of transactions through immediate payment service (IMPS) reached 482.46 million (by volume) and amounted to US\$ 57.05 billion (Rs. 4.66 trillion) in October 2022.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose specific digital payment solution.

Digital payment platforms for rural India:

- In August 2021, Neokred, an open banking stack that delivers curated versions of issuance in the payment ecosystem, teamed with Virenxia, a provider of integrated and sustainable solutions

for rural transformation and development, to launch the 'The Kisan Card,' a special payment card for Indian farmers.

4. NBFCs:

- NBFCs have served the non-banking customers by pioneering into retail asset-backed lending, lending against securities and microfinance. NBFCs aspire to emerge as a one-stop shop for all financial services.
- In July 2021, Rajya Sabha approved Factoring Regulation (Amendment) Bill in 2020, enabling ~9,000 NBFCs to participate in the factoring market. The bill also gives the central bank the authority to establish guidelines for improved oversight of the US\$ 6 billion factoring sector.

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

STRATEGY ADOPTED

Innovation:

- In the insurance industry, several new and existing players have introduced innovative insurance-based products, value add-ons and services. Few foreign companies have also entered the domain, including Tokio Marine, Aviva, Allianz, Lombard General, AMP, New York Life, Standard Life AIG and Sun Life.
- HDFC Capital Advisors Ltd has raised US\$ 550 million for its second affordable housing fund, HDFC Capital Affordable Real Estate Fund-2 (H-CARE-2), which will invest in affordable and mid-income and residential projects in 15 cities across India.

Merger and Acquisition (M&A):

- In May 2023, India Grid Trust acquired Virescent Renewable Energy Trust at a value of US\$ 487 million.
- The merger and acquisition market led to an all-time high in 2021 and was mainly driven by first-time buyers. India saw 85 strategic deals valued at more than US\$ 75 million.
- In April 2022, HDFC Bank and HDFC Limited announced a transformational merger.
- In 2021, Piramal Group completed the acquisition of Dewan Housing Finance Limited (DHFL) for US\$ 4.7 billion.

Stepped up IT expenditure:

- The explosion of mobile phones, uptake of technologies such as cloud computing and rising pace of convergence and interconnectivity have led companies in the financial services industry to ramp up investment in information technology (IT) to better serve their end-customers.

Expanding geographical presence:

- Indian companies are strengthening their footprint on foreign shores, enhancing geographical exposure.
- In April 2022, UPI went live in Neopay terminals across UAE.
- 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.
- In August 2020, the National Payments Corporation of India (NPCI) has launched an international arm—NPCI International Payments (NIPL). The primary aim of NIPL will be to take its indigenously developed digital payment products such as RuPay and UPI to a global level.

GROWTH DRIVERS IN FINANCIAL SECTOR

India has world's second largest population

As per Census 2011, India's population was approximately 1.25 billion, and comprised nearly 245 million households. The population, which grew at nearly 1.5% compound annual growth rate ("CAGR") between 2001 and 2011, is expected to increase at 1.1% CAGR between 2011 and 2021, to 1.4 billion. As of calendar year 2022, the population is more than 1.42 billion and has surpassed China as of January 2023 as the most populous country in the world. The population is expected to reach 1.5 billion by 2031, and the number of households are expected to reach approximately 376 million over the same period.

(Source: United Nations Department of Economic and Social Affairs³, CRISIL MI&A, <https://population.un.org/wpp/>)

Favorable demographics

As of calendar year 2021, India has one of the largest young populations in the world, with a median age of 27.6 years as compared to the world average of 30 years. (Source: United Nations Department of Economic and Social Affairs, World Urbanization Prospects: The 2018 Revision (UN) (<https://population.un.org/wup/>)). As of calendar year 2021, approximately 90% of Indians were below the age of 60 and that 64% of them are between 15 and 59 years of age. (Source: World Population Prospects 2022). In comparison, in calendar year 2021, the US, China and Brazil had 77%, 82% and 86%, respectively, of their population below the age of 60. (Source: World Population Prospects 2022).

(Source: United Nations Department of Economic and Social Affairs, CRISIL MI&A, <https://population.un.org/wpp/>)

Urbanization

Urbanization is one of India's most important economic growth drivers. It is expected to drive substantial investments in infrastructure development, which in turn is expected to create jobs, develop modern consumer services and increase the ability to mobilize savings. India's urban population has been rising consistently over the decades. In 1950, the urban population was 17% of the total population of India. (Source: World Urbanization Prospects). As per the 2018 revision of World Urbanization Prospects, the urban population was estimated at 34.9% of India's total population. According to the World Urbanization Prospects, the percentage of the population residing in urban areas in India is expected to increase to 37.4% by 2025.

(Source: Census 2011, World Urbanization Prospects: The 2018 Revision (UN))

Rising Middle India population to propel economic growth

To illustrate, CRISIL MI&A estimates that there were 41 million households in India in this category as of Fiscal 2012, and by Fiscal 2030, they are projected to increase to 181 million households translating into a CAGR of 9% over this time period. This growth in the number of middle-income households is expected to lead to enhanced opportunities for retail and MSME financiers as well as consumer goods marketers. A large number of these households, which have entered the Middle-Income bracket in the last few years, are likely to be from semi-urban and rural areas. The rise in incomes in these areas is also evident when one observes the trend in share of deposits coming into banks.

Consistent improvement in the literacy levels, increasing access to information and awareness, increase in the availability of basic necessities such as electricity, cooking gas, toilets and improvement in road infrastructure has led to an increase in aspirations of Middle India, which is likely to translate into increased opportunities for financial service providers. In fact, some of these trends are already visible. Smartphone ownership, internet users and the proportion of users accessing social media is increasing at a breakneck speed. Smaller cities and towns (with population less than 1 million) account for a significant portion of sales of e-retailers.

(Source: CRISIL MI&A)

Financial Inclusion on a fast path in India

Overall literacy in India is at 77.7% as per the results of the recent National Sample Survey Office survey conducted from July 2017 to June 2018 which is still below the world literacy rate of 86.5%. However, according to the National Financial Literacy and Inclusion Survey ("NCFE-FLIS") 2019, only 27% of the Indian population is financially literate indicating a huge gap and potential for financial services industry. The survey defines financial literacy as the combination of awareness, knowledge, skill, attitude and behavior necessary to make sound financial decisions and ultimately achieve individual financial wellbeing. According to the World Bank's Global Findex Database 2021, the global average of adult population with an account opened with a bank, financial institution or mobile money provider, was approximately 69% in calendar year 2017. India's financial inclusion has improved significantly over calendar years 2014 to 2021 as the adult population with bank accounts increased from 53% to 78% (Source: Global Findex Database) due to the Indian government's concentrated efforts to promote financial inclusion and the proliferation of supporting institutions.

With increasing financial literacy, mobile penetration, awareness and the Prime Minister's Jan Dhan Yojana bank accounts (scheme aimed at bringing the unbanked under the formal banking system), there has been a rise in the participation of individuals from non-metro cities in banking. With more people attached to the formal banking

sector, the demand for financial products in smaller cities has seen a major increase in recent years.
(Source: National Financial Literacy and Inclusion Survey (NCFE-FLIS) 2019 Report, National Centre for Financial Education)

Account Aggregators framework to build a financial data ecosystem in India

The RBI launched the account aggregator system on September 2, 2021, which has the potential to transform the MSME finance space once there is widespread adoption amongst the lending community. These account aggregators would provide granular insights to lenders into customers' financial assets and their borrowing history centrally, based on customer consent. Inclusion of additional data such as electricity bill payments and mobile recharges/bill payment data under the purview of account aggregators would further enhance its utility.

Digitisation to support economic growth and financial services

Technology is expected to play a pivotal role in taking the financial sector to the next level of growth, by helping to surmount challenges stemming from India's vast geography, which makes physical footprints in smaller locations commercially unviable. Technology is conducive for India, considering its demographic structure where the median age is less than 30 years. The young population is tech savvy and at ease with using it to conduct the entire gamut of financial transactions. With increasing smartphone penetration and faster data speeds, consumers are now encouraging digitisation as they find it more convenient. Digitisation is expected to help improve efficiency and optimize cost. Players with better mobile and digital platforms are expected to draw more customers and emerge as winners in the long term.

Source: CRISIL MI&A

Mobile penetration, Rise in 4G penetration and smartphone usage

India had 1,142.93 million wireless subscribers as of December 31, 2022, and the number is growing at a steady pace every year. The reach of mobile network, internet and electricity is continuously expanding the subscriber footprint to remote areas leading to rising smartphone and internet penetration in India. Internet subscribers have risen sharply in India from 422 million subscribers in Fiscal 2017 to 866 million subscribers in the third quarter of Fiscal 2023 growing at a CAGR of 13%. In terms of number of internet subscribers per 100 population, number has almost doubled from 33 in Fiscal 2017 to 63 in the third quarter of Fiscal 2023.

Higher mobile penetration, improved connectivity, and faster and cheaper data speed, supported by Aadhaar and bank account penetration have led India to shift from being a cash-dominated economy to a digital one.

(Source: TRAI, CRISIL MI&A)

Increasing share of digital channels in domestic monetary transactions

The share of different channels in domestic money transfer has changed significantly over the past five years. Banks, for example, are witnessing a change in customer behavior with fewer customers visiting bank branches for transactions.

This change in behavior was led by demonetisation when cash transactions slowed down, many new accounts were opened, and digital banking witnessed a surge in use and continued its growth trajectory. The preference has also shifted from cost factors to convenience and ease of performing transactions, which helps in saving time spent in queues, not disturbing the daily working hours and avoiding any potential monetary loss. Post-COVID, with consumers preferring to transact digitally rather than engage in physical exchange of any paper or face-to-face contact, digital transactions have received another shot in the arm.

(Source: RBI, CRISIL MI&A)

Shift To Financial Asset Class:

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

Government Initiatives:

- In 2023, the government revamped the credit guarantee scheme. The inflow of INR 9,000 crore (US\$

- 1,080.97 million) into the corpus of the Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) will give MSMEs more access to collateral-free loans.
- In January 2021, the Central Board of Direct Taxes launched an automated e-portal on the e-filing website of the department to process and receive complaints of tax evasion, foreign undisclosed assets and register complaints against 'Benami' properties.
 - In December 2020, a US\$ 50-million policy-based loan to enhance financial management practices and operational efficiencies aimed at achieving greater fiscal savings, fostering informed decision-making and enhancing service delivery in West Bengal was signed by the Asian Development Bank (ADB) and the Government of India.

Others:

- In January 2021, the National Stock Exchange (NSE) launched derivatives on the Nifty Financial Service Index. This service index is likely to provide institutions and retail investors more flexibility to manage their finances.
- On December 02, 2020, the International Financial Services Centres Authority (IFSCA) obtained membership to the International Association of Insurance Supervisors (IAIS).
- Investment by FPIs in India's capital market reached a net US\$ 1.42 trillion (Rs. 11,631 crore) in April 2023.

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

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 HNWI's 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.

NBFCs are expected to remain a force to reckon within the Indian credit landscape, given their inherent strength of providing last-mile funding and catering to customer segments that are not catered by Banks.

The NBFC sector has, over the years, evolved considerably in terms of size, operations, technological sophistication and entry into newer areas of financial services and products. The number of NBFCs as well as the size of the sector have grown significantly, with a number of players with heterogeneous business models starting operations.

The sector has also seen the emergence of a number of fintechs that leverage technology, data, and business insights to provide various financial products and services to identified customer segments. Fintech players in India started lending in Fiscal 2015 but they started gaining traction from Fiscal 2017 onwards. The business model of fintech firms differ widely but in almost all cases they use technology to change or support existing ways of doing business, and hold the promise of enhancing customer convenience, facilitating access to credit for unserved or underserved customer segments and/or improving operating efficiency. Many times, fintechs enter into tie-ups with financing partners (banks and NBFCs) for taking the loans originated by them on the balance sheet of the partner.

The increasing penetration of neo-banking, digital authentication and mobile phone usage as well as mobile internet has resulted in the modularization of financial services, particularly credit.

Reflecting the growing importance of NBFCs in the financial services landscape and their ability to offer differentiated solutions to meet the requirement of target customers, the role and share of NBFCs in overall systemic credit has increased substantially.

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

OUR BUSINESS

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Letter of Offer, including the information contained in the section titled 'Risk Factors', on page no. 25 of this Letter of Offer.

This section should be read in conjunction with, and is qualified in its entirety by, the more detailed information about our Company and its financial statements, including the notes thereto, in the section titled 'Risk Factors' and the chapters titled 'Financial Statement' and 'Management Discussion and Analysis of Financial Conditions and Results of Operations' on page no. 25, 82 and 127 respectively, of this Letter of Offer.

Unless the context otherwise requires, in relation to business operations, in this section of this Letter of Offer, all references to "we", "us", "our" and "our Company" are to Savani Financials Limited and Group Entities as the case may be.

Overview

History & Certain Corporate Matters

History

- The Company was incorporated as "Savani Investments and Leasing Limited" on December 21, 1983, under the Companies Act, 1956 and was granted the Certificate of Incorporation by the Registrar of Companies, Maharashtra. Our Company received the Certificate of Commencement of Business on April 27, 1984. Subsequently, the name of our Company was changed to "Savani Freight & Finance Limited" on May 18, 1987, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay.
- Further, the name of our Company was changed to "Savani Financials Limited" on October 14, 1993, vide a fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra, Bombay.
- Thereafter, our Company was registered under section 45-IA of The Reserve Bank of India Act, 1934 to commence/carry on the business of a Non-Banking Financial Institution. Our Company is registered with the Reserve Bank of India ("RBI") as Non-Systemically Important Non-Deposit taking Non-Banking Finance Companies (NSI-ND-NBFC) bearing registration number B-13.01071 vide the Certificate of Registration dated October 27, 1998.
- On June 28, 2023, Deepa Tracy acquired 10,99,625 equity shares of Rs. 10 each from Manish Chaudhari representing 27.49% of the pre-issue capital of the Company. Our Company has initiated the process of declassification as a Promoter and shall make the relevant application and other submissions as prescribed in the Listing Regulations to BSE for the same.

Time/cost overrun

Our Company has not experienced any time or cost overruns in its business operations.

Defaults or rescheduling/restructuring of borrowings

There have been no instances of defaults or rescheduling/restructuring of borrowings availed by us from any financial institutions or banks.

Holding company, subsidiary or joint venture

As on the date, our Company does not have any holding company, subsidiary or joint venture.

Significant strategic or financial partnerships

Our Company does not have any significant strategic or financial partners.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamations or any revaluation of assets, in the last 10 years

Our Company has not undertaken any material acquisitions or divestments of any business or undertaking, and has not undertaken any material merger, amalgamation or any revaluation of assets, in the last ten years.

Material Subsisting Agreements

Except for the agreements disclosed below, our Company has not entered into any other subsisting material agreement including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

Details of guarantees given to third parties by our Promoter

Our Promoter has not given any guarantees, on behalf of our Company, to third parties that are outstanding as of the date of this Letter of Offer.

Agreements with Key Managerial Personnel, Director, Promoters or any other employee

There are no agreements entered into by a Key Managerial Personnel or Director or Promoters or any other employee of our Company, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

Compliance with RBI

A. Certification

Further, our company is in compliance with RBI Circular no. RBI/2006-07/ 133; DNBS (PD) C.C. No. 79 / 03.05.002/ 2006-07 dated September 21, 2006 wherein we are required to submit the statutory auditors certificate certifying that our company undertakes the business of NBFC holding of CoR under Section 45-IA of the RBI Act, 1934. This certificate is submitted by us every financial year by end of June.

B. KYC Policy

A KYC policy document has been issued pursuant to RBI Notification DNBS (PD). CC 48/10.42/2004-05 dated February 21, 2005. It will be the form policy to follow certain customer identification procedure for opening of accounts and monitoring transactions of a suspicious nature for the purpose of reporting it to appropriate authority.

C. For Depositors

1. The company has not taken any public deposit
2. No funds will be accepted from any entity other than shareholders of the company
3. PAN card copy of all the shareholders depositing money will be taken on record

D. For Borrowers

1. No account will be opened in anonymous or fictitious/ benami name(s),
2. KYC forms will be taken from the borrower,
3. Loans will only be given to individual borrowers and not to and non-individual entity like trusts, limited companies, partnerships, etc. unless approved by the Directors,
4. Necessary checks will be done before opening a new account so as to ensure that the identity of the customer does not match with any person with known criminal background or with banned entities,
5. PAN Card as proof of identity will be obtained from all clients,
6. One of the proofs of address will be obtained from the clients as under Telephone bill, Bank account statement,

7. Letter from any recognized public authority, Electricity bill and Ration card.
8. In all cases the required of the company's PMLA policy will be met with.

E. Fair Practice Code

Pursuant to RBI Notification dated September 28, 2006, the Board of Directors of the company has adopted the following Fair Practices Code in its meeting held on November 6, 2023

I. *Application for loans and their processing*

- a. Loan application forms will include necessary information which affects the interest of the borrower, so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower. The loan application form may indicate the documents required to be submitted with the application form.
- b. Acknowledgement for receipt of all loan applications will be given. The time frame within which loan applications will be disposed of will also be indicated in the acknowledgement.

II. *Loan appraisal and terms/conditions*

Company will convey in writing to the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.

III. *Disbursement of loans including changes in terms and conditions*

- a. The Company will give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Company will also ensure that changes in interest rates and charges are effected only prospectively. A suitable condition in this regard may be incorporated in the loan agreement.
- b. Decision to recall/accelerate payment or performance under the agreement would be in consonance with the loan agreement.
- c. Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim company may have against borrower. If such right of set off is to be exercised, the remaining claims and the conditions under which company are entitled to retain the securities till the relevant claim is settled/paid.

IV. *General*

- a. Company would refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower has come to the notice of the lender).
- b. In case of receipt of request from the borrower for transfer of borrower account, the consent of otherwise i.e. Objection, if any, should be conveyed within 21 days from the date of receipt of request. Such transfer shall be as per transparent contractual terms in consonance with law.
- c. In the matter of recovery of loans, the company will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

- V.** The board of directors will form appropriate grievance redressal mechanism within the organization to resolve disputes arising in this regard. Such a mechanism will ensure that all disputes arising out of the decisions of lending institutions; functionaries are heard and disposed of at least at the next higher level. Periodical review of the compliance of the fair practices code and the functioning of the grievances redressed mechanism at various levels of management will be done. A consolidated report of such reviews may be asked by the board at regular intervals.

VI. *Factoring business*

Our Company will not pursue activity of factoring of debt without prior approval of RBI.

F. **Our Operational Process:**

Investment Activities: Our Company is also engaged in the business of investing in securities of listed and unlisted companies. There are no prefixed criteria or predefined limitations to the Company's investments. Our investment scope and strategy depend on the opportunities and market conditions; both long term and short term and we invest in variety of sectors.

Lending Business: Currently the Company has no lending business. The Company looks forward to start the lending business post the fund raise in the upcoming rights issue.

OUR COMPETITIVE STRENGTHS:

Experienced Leadership Team

We are in the process of recruiting senior team members with appropriate experience to conduct the lending and investment activities. These will include CEO, CFO, Chief Risk officer, Compliance officer, Chief Credit officer etc. Some functions may be included in other adjacent posts that have similarity in skill requirements.

Internal Control and Risk Management

The Company is in the process of establishing additional internal controls and risk management systems to assess and monitor risks. The Company seeks to monitor and control its risk exposure through a variety of separate but complementary financial and operational reporting systems. The Company has effective procedures for evaluating and managing the market, operational and other risks to which it is exposed.

Strong Corporate Governance Standards

Creating an institution that is built to last requires strong corporate governance standards. The governance standards are further strengthened by strong policies and processes enshrined in AoA, RBI, Companies Act and strong human resource. Further, the company has fair trade practices and follow high standards of governance in managing the business of the Company.

OUR BUSINESS STRATEGY

The Company has identified certain key segments in the MSME segment for credit facilities/products/solutions:

- Aspirational Rural middle-class households
- Aspiring Individuals
- Aspiring SMEs (in high growth business segments such as logistics, exports, services etc.)

The Company would provide custom tailored loans for the purposes of:

- Income generating, productivity enhancing assets (equipment, assets)
- Skill development requirements (education, vocational)

The Company is working with strategic advisors and experienced professionals in the financial services industry in matters relating to business strategy, financial planning, management staffing and operations to take into effect on the successful completion of this issue.

The company will be conducting the business in the name of Mantra Capital for which requisite application for the name approval has been filed with ROC.

Competition

We may face competition from organized as well as unorganized players in the domestic market. The financial services industry is highly competitive, and we expect competition to intensify in the future. We may face competition in the lending business from domestic and international banks as well as other NBFCs, fintech lending platforms and private unorganized lenders. Banks are increasingly expanding into retail loans in the rural and semi-urban areas of India. We may be exposed to the risk that these banks continue to expand their operations into the markets in which we operate, which would result in greater competition and lower spreads on our loans. In particular, many of our competitors may have operational advantages in terms of access to cost-effective sources of funding and in implementing new technologies and rationalising related operational costs.

Utilities and Infrastructure

Our registered office is well equipped with computer systems, internet connectivity, other communication equipment, security and other facilities, which are required for our business operations to function smoothly.

Insurance

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

Plant & Machinery

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

Collaborations

We have not entered into any technical or financial or any other collaboration agreement as on the date of filing the Letter of Offer.

Manpower

As on date, we do not have any employee on our payroll since the business has not been operational. We now propose to activate the business and engage the manpower necessary for the same.

OUR PROPERTIES

The registered office of our company is located at 602, Samarth Vaibhav CHS, Off link Road, Lokhandwala Complex, Andheri (West), Mumbai - 400053 and owned by Ms. Deepa Tracy, the Promoter. Our Company has obtained the NOC dated 3rd August 2023 from her to use the said premises as our registered office.

INTELLECTUAL PROPERTY

Our company confirms that it has not made any other applications, nor has it registered any other type of intellectual property including trademarks/copyrights/patents etc.

OUR MANAGEMENT

Our Articles of Association requires us to have not less than three and not more than fifteen Directors. As on date of filing of this Letter of Offer, we have three (3) Directors on our Board, comprising of one (1) executive director, including one (1) woman director and 2 (two) non-executive independent directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Set forth below are details regarding our Board as on the date of filing of this Letter of Offer:

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
1	<p>Deepa Kishor Tracy</p> <p><i>Age:</i> 71 Years</p> <p><i>Address:</i> A-1401, Terra, Rustomjee Elements, Link Road, New D.N. Nagar, Near Juhu Circle, Andheri- West, Mumbai 400 053</p> <p><i>DIN:</i> 00516615</p> <p><i>Date of Birth:</i> January 17, 1953</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Period of Directorship:</i> Since May 11, 2012</p> <p><i>Occupation:</i> Business</p>	<p>Managing Director</p>	<ul style="list-style-type: none"> • Mantra Fashions Private Limited • Mantra Vision Private Limited • Mantra Exports Private Limited • Adnyaa Foods and Beverages Private Limited • Storiculture Network Private Limited
3	<p>Ajay Anantra Patadia</p> <p><i>Age:</i> 49 Years</p> <p><i>Address:</i> 1501, Sorrento, Veera Desai Road, Opp. Country Club, Andheri West, Mumbai - 400053</p> <p><i>DIN:</i> 00298226</p> <p><i>Date of Birth:</i> September 07, 1974</p> <p><i>Term:</i> From May 29, 2023, till May 28, 2028</p> <p><i>Period of Directorship:</i> Since May 29, 2023</p> <p><i>Occupation:</i> Professional</p>	<p>Independent Director</p>	<ul style="list-style-type: none"> • PMI Entertainment (India) Private Limited • Resonance Specialties Limited • NLA Advisory Services Private Limited
4	<p>Vikrant Prabhakar Ponshe</p> <p><i>Age:</i> 55 years</p> <p><i>Address:</i> Shree 57, Mukund Nagar, Near Ekbote Showroom, Pune City,</p>	<p>Additional Non-Executive Non-Independent Director</p>	<ul style="list-style-type: none"> • Being Catalyst Private Limited; • Personic E-Tech Private Limited

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
	Pune 411 037 <i>DIN:</i> 06985597 <i>Date of Birth:</i> December 19, 1968 <i>Term:</i> February 2, 2024 to February 1, 2029 <i>Period of Directorship:</i> Since February 2, 2024 <i>Occupation:</i> Business		
5	Jitendra Negandhi[#] <i>Age:</i> 71 years <i>Address:</i> 304, Gayatri Dham, Derasar Lane, opposite Tital showroom, Ghatkopar (East), Mumbai 400 077 <i>DIN:</i> 00787799 <i>Date of Birth:</i> September 2, 1952 <i>Term:</i> until the ensuing annual general meeting <i>Period of Directorship:</i> Since April 10, 2024 <i>Occupation:</i> Professional	Additional Independent Director	<ul style="list-style-type: none"> • Novel Marketing Tech Private Limited • Shajay Fabricators & Engineers Private Limited • Realise Hayagreeva Technology Services Private Limited
6	Ramamoorthy Ravishankar[#] <i>Age:</i> 61 years <i>Address:</i> Old no 203, Bagirathi Ammal Street, Thygarayanagar, Chennai 600 017 <i>DIN:</i> 01907858 <i>Date of Birth:</i> March 2, 1963 <i>Term:</i> until the ensuing annual general meeting <i>Period of Directorship:</i> Since April 10, 2024 <i>Occupation:</i> Self-Employed	Additional Independent Director	<ul style="list-style-type: none"> • Raag Housing and Infrastructure Private Limited
7	Purvi Ramesh Ambani[#] <i>Age:</i> 49 years	Additional Non-Executive Non-Independent	<ul style="list-style-type: none"> • Asit C Mehta Advisors Limited

No.	Name, address, DIN, date of birth, term, period of directorship, occupation	Designation	Other directorships
		Director	
	Address: Flat number 19, Nandavan CCHS 2 nd floor, Dr. Ansari Road, Vile Parle (west), Mumbai 400 056		
	DIN: 06546129		
	Date of Birth: August 20, 1974		
	Term: until the ensuing annual general meeting		
	Period of Directorship: Since April 10, 2024		
	Occupation: Professional		

Note: Suresh Madhav Mhatre has ceased to be a non-executive director of the Company w.e.f. April 1, 2024. The Board of Directors have recorded and approved the same in their meeting held on April 10, 2024. Further, the Company has intimated the BSE in this regard and is in the process of filing the relevant statutory forms with the RoC.

#The Board of Directors have recorded and approved the appointment of Jitendra Negandhi, Ramamoorthy Ravishankar, and Purvi Ramesh Ambani in their meeting held on April 10, 2024. Further, the Company has intimated the BSE in this regard and is in the process of filing the relevant statutory forms with the RoC.

Brief Profile of our Directors

Deepa Kishor Tracy

Deepa Kishor Tracy is the Managing Director of our Company, and one of the Promoters of our Company. She holds a Science Degree from the University of Mumbai from the year 1973. She has been associated with this Company since May 11, 2012, and oversees the operations of the Company. She has wide entrepreneurial experience of varied industries and rich experience in general management of over 27 years.

Ajay Anantrai Patadia

Ajay Anantrai Patadia is an Independent Director of our Company. He holds a bachelor's in commerce degree from University of Mumbai from year 1994. Commerce Graduate, and a bachelor's in law from the University of Mumbai from the year 1999. He is also an Associate member of the Institute of Companies Secretaries of India from the year 1998. He has been associated with our Company since May 29, 2023.

Vikrant Prabhakar Ponshe

Vikrant Prabhakar Ponshe is an Additional Non-Executive Independent Director of our Company. He holds a bachelor's degree of Commerce and Law from University of Pune from the year 1991, and holds a Masters of Business Administration in Finance from University of Wales, United Kingdom, from the year 2007. He has been associated with our Company since February 2, 2024. He possesses over 30 years of experience in banking and financial services.

Jitendra Negandhi

Jitendra Negandhi is an Additional Independent Director of our Company. He is a certified chartered accountant, certified by the Institute of Chartered Accountants of India from the year 1984. He has been associated with our Company since April 10, 2024. He possesses over 30 years of experience in finance.

Ramamoorthy Ravishankar

Ramamoorthy Ravishankar is an Additional Independent Director of our Company. He holds a post graduate in

business administration from Loyola Institute of Business Administration from the year 1988. He has been associated with our Company since April 10, 2024. He possesses over 30 years of experience in corporate affairs and public relations.

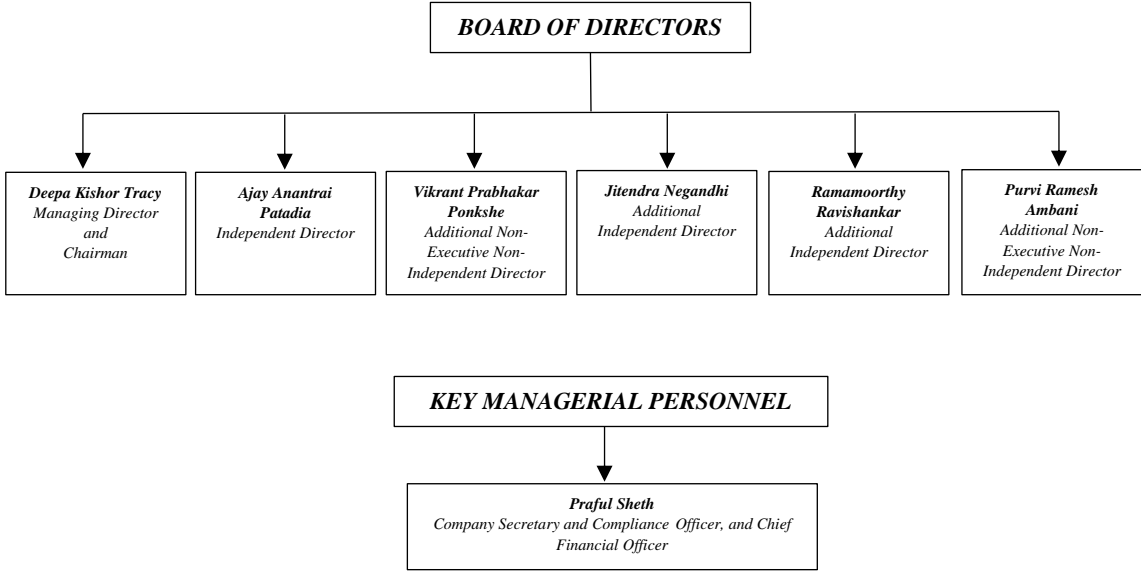
Purvi Ramesh Ambani

Purvi Ramesh Ambani is an Additional Non-Executive Non-Independent Director of our Company. She holds a bachelor's degree of Commerce from the University of Mumbai from the year 1995 and is also a certified chartered accountant from the Institute of Chartered Accountants from the year 2002. She has been associated with our Company since April 10, 2024. She possesses over 20 years of experience in finance, project finance and private equity funding.

Confirmations

1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.
5. None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Management Organisation Structure



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

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

Committees of our Board

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

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders' Relationship and Share Transfer Committee;
4. Corporate Social Responsibility Committee.

Terms of Reference of Various Committees

1) Audit Committee

The Audit Committee was re-constituted on February 2, 2024 and constitutes of the following members:

Name	Designation
Ajay Anantrai Patadia	Chairman
Deepa Kishor Tracy	Member
Vikrant Prabhakar Ponkshe	Member

The Company Secretary acts as the secretary of the Audit Committee.

The scope, functions and the terms of reference of the Audit Committee is in accordance with the Section 177 of the Companies Act, 2013 and Regulation 18 (3) Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule II Part C.

The Role of Audit Committee, together with its powers, are as follows:

- (1) oversight of our financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of our Company;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of Section 134(3)(c) of the Companies Act, 2013;
 - (b) changes, if any, in accounting policies and practices and reasons for the same;
 - (c) major accounting entries involving estimates based on exercise of judgment by the management;
 - (d) significant adjustments made in the financial statements arising out of audit findings;
 - (e) compliance with listing and other legal requirements relating to financial statements;
 - (f) disclosure of any related party transactions;
 - (g) modified opinion(s) in the draft audit report;

- (5) reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document / Red Herring Prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- (7) reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (8) approval or any subsequent modification of transactions of our Company with related parties;
- (9) scrutiny of inter-corporate loans and investments;
- (10) valuation of undertakings or assets of our Company, wherever it is necessary;
- (11) evaluation of internal financial controls and risk management systems;
- (12) reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) discussion with internal auditors of any significant findings and follow up there on;
- (15) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) to review the functioning of the whistle blower mechanism;
- (19) approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) carrying out any other function as is mentioned in the terms of reference of the audit committee.
- (21) reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision; and
- (22) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

2) **Nomination and Remuneration Committee**

Our Nomination and Remuneration Committee was re-constituted on April 10, 2024 and constitutes of the following members:

Name	Designation
Ajay Anantrao Patadia	Chairperson
Jitendra Negandhi	Member
Vikrant Prabhakar Ponkshe	Member

The terms of reference of the committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
2. Formulation of criteria for evaluation of performance of independent directors and the Board of directors.
3. Devising a policy on diversity of board of directors.
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of director their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis

of the report of performance evaluation of independent directors.

6. Recommend to the board, all remuneration, in whatever form, payable to senior management.

3) Stakeholders Relationship and Share Transfer Committee

Our Stakeholders Relationship and Share Transfer Committee was re-constituted on February 2, 2024 and constitutes of the following members:

Name	Designation
Ajay Anantrai Patadia	Chairperson
Purvi Ramesh Ambani	Member
Ramamoorthy Ravishankar	Member

The role of the committee shall inter-alia include the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

4) Corporate Social Responsibility

Our Corporate Social Responsibility Committee was re-constituted on April 10, 2024 and constitutes of the following members:

Name	Designation
Deepa Tracy	Chairperson
Jitendra Negandhi	Member
Ramamoorthy Ravishankar	Member

The role of the committee shall inter-alia include the following:

- (i) To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013, as amended;
- (ii) formulate and recommend an annual action plan in pursuance of its Corporate Social Responsibility Policy which shall list the projects or programmes undertaken, manner of execution of such projects, modalities of utilisation of funds, monitoring and reporting mechanism for the projects;
- (iii) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (iv) delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (v) review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (vi) assistance to the Board to ensure that the Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- (vii) providing explanation to the Board if the Company fails to spend the prescribed amount within the financial year;
- (viii) providing updates to the Board at regular intervals of six months on the corporate social responsibility activities;

- (ix) To recommend the amount of expenditure to be incurred on the CSR activities, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;
- (x) To monitor the CSR Policy and its implementation by the Company from time to time;

To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, 2013, as amended and the rules framed thereunder.”

Our Key Managerial Personnel

Apart from Deepa Kishor Tracy, Managing Director of our Company, whose details have been provided under paragraph above titled "*Brief Profile of our Directors*", and Praful Sheth, the Company Secretary and Compliance Officer of our Company, our Company does not have any other Key Managerial Personnel, as on the date of filing of this Letter of Offer.

Praful Sheth is the Company Secretary and Compliance Officer of our Company and was appointed on January 10, 2023. He oversees the day-to-day secretarial compliance of our Company. He holds a bachelor's degree in commerce from Gujarat University from the year 1974. He is an associate of the Institute of Company Secretaries of India since the year 1989. He is a fellow member of the Institute of Chartered Accountants of India since 1984. He also holds a Post graduate diploma in Management Studies from JBIMS, University of Mumbai from the year 1985. As the Company Secretary and Compliance Officer of our Company.

Status of each Key Managerial Personnel

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

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

None of the directors or Key Managerial Personnel or is related with each other.

Our Senior Managerial Personnel

As on date of this Letter of Offer, our Company does not have any Senior Managerial Personnel.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited, consolidated net operating profit after tax, working capital requirements, capital expenditure requirements, cash flow required to meet contingencies, outstanding borrowings, and applicable taxes payable by our Company. In addition, our ability to pay dividends may be impacted by additional factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities.

We have not declared any dividend in the previous three (3) financial years immediately preceding this issue.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No	Particulars
1	Audited Financial Statement as at March 31, 2021
2	Audited Financial Statement as at March 31, 2022
3	Audited Financial Statement as at March 31, 2023
4	Limited Reviewed Unaudited Financial Results for the nine months period ended December 31, 2023

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2021

(Rupees)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	3	8,07,312	8,49,119
(ii) Bank balances other than (i) above	4	35,00,000	1,69,51,379
(iii) Investments	5	1,65,00,000	25,00,000
(iv) Others financial assets	6	7,23,939	8,39,913
	Sub-Total	<u>2,15,31,250</u>	<u>2,11,40,411</u>
(2) Non-Financial Assets			
(i) Current-tax assets	7	2,39,229	1,35,465
(ii) Other non-financial assets	8	14,044	14,951
	Sub-Total	<u>2,53,273</u>	<u>1,50,416</u>
	TOTAL ASSETS	<u>2,17,84,523</u>	<u>2,12,90,827</u>
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
Other Financial Liabilities	9	1,67,879	1,30,216
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	10	9,433	8,760
(3) Equity			
(a) Equity Share Capital	11	4,00,00,000	4,00,00,000
(b) Other Equity	12	(1,83,92,789)	(1,88,48,149)
	Total Equity	<u>2,16,07,211</u>	<u>2,11,51,851</u>
	TOTAL LIABILITIES AND EQUITY	<u>2,17,84,523</u>	<u>2,12,90,827</u>

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

Chartered Accountants

(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 11th May, 2021

Praful Sheth

CFO & Co. Secretary

M. No. 6521

Mumbai, Dated 11th May, 2021

Deepa Tracy

Managing Director

DIN 00516615

Manish Chaudhari

Director

DIN 00516641

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2021

(Rupees)

Particulars	Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I INCOME			
Revenue from Operations	13	12,68,589	13,54,651
Other Income	14	8,125	21,555
		<u>TOTAL INCOME</u>	<u>13,76,206</u>
II EXPENSES			
Other Expenses	15	8,21,354	11,59,765
		<u>TOTAL EXPENSES</u>	<u>11,59,765</u>
		<u>PROFIT BEFORE TAX</u>	<u>2,16,441</u>
III TAX EXPENSE			
Current Tax		-	-
		<u>TOTAL TAX EXPENSE</u>	<u>-</u>
		<u>PROFIT FOR THE YEAR</u>	<u>2,16,441</u>
IV OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Items that be reclassified to Profit or Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>4,55,360</u>	<u>2,16,441</u>
EARNINGS PER EQUITY SHARE OF FV RS.10/- EACH			
Basic and Diluted		0.11	0.05

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn. No. 113817W)

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 11th May, 2021

Praful Sheth

CFO & Co. Secretary

M. No. 6521

Mumbai, Dated 11th May, 2021

Deepa Tracy

Managing Director

DIN 00516615

Manish Chaudhari

Director

DIN 00516641

SAVANI FINANCIALS LIMITED				
(CIN : L67120MH1983PLC031614)				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2021				
A. SHARE CAPITAL				
1. EQUITY SHARE CAPITAL	As at 31st March, 2021		As at 31st March, 2020	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Authorised Share Capital	1,00,00,000	10,00,00,000	1,00,00,000	10,00,00,000
Issued Share Capital	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Subscribed Share Capital	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Fully Paid-up Share Capital	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Subscribed but not fully paid-up	-	-	-	-
Balance at the beginning of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Changes in equity share capital during the year:				
Issued during the year	-	-	-	-
Balance at the end of the reporting Year	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Terms/ Rights attached to the Equity Share Capital-				
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
2. PREFERENCE SHARE CAPITAL				
	As at 31st March, 2021		As at 31st March, 2020	
	No.	Amount (Rs.)	No.	Amount (Rs.)
Authorised Share Capital				
0% Redeemable Preference Shares	25,00,000	2,50,00,000	25,00,000	2,50,00,000
Issued Subscribes and Fully paid-up Share Capital				
0% Redeemable Preference Shares	-	-	-	-
Details of Shareholders holding more than five per cent shares				
	As at 31st March, 2021		As at 31st March, 2020	
Name of the Shareholder	No.	Amount (Rs.)	No.	Amount (Rs.)
Mrs. Deepa Tracy	11,17,740	1,11,77,400	11,10,968	1,11,09,680
Mr. Manish Chaudhari	10,99,625	1,09,96,250	10,99,625	1,09,96,250
B. OTHER EQUITY				
	Reserves and Surplus			Amount (Rs.)
Particulars	Securities Premium Reserve	Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934)	Retained Earnings	TOTAL
Balance as at 1st April, 2019	3,32,08,100	6,50,000	(5,29,22,690)	(1,90,64,590)
Profit for the Comparative Year			2,16,441	2,16,441
Other Comprehensive Income for the Comparative Year	-	-	-	-
Total Comprehensive Income for the Comparative Year	-	-	2,16,441	2,16,441
Balance as at 31st March, 2020	3,32,08,100	6,50,000	(5,27,06,249)	(1,88,48,149)
Additions during the Year	-	-	-	-
Profit for the Current Reporting Year	-	-	4,55,360	4,55,360
Other Comprehensive Income for the Current Reporting Year	-	-	-	-
Total Comprehensive Income for the Year	-	-	4,55,360	4,55,360
Balance as at 31st March, 2021	3,32,08,100	6,50,000	(5,22,50,889)	(1,83,92,789)
Significant accounting policies	Note No. 2			
The accompanying notes form an integral part of the Financial Statements				
As per our report of even date attached				
For Nilesh Lakhani and Associates		For and on behalf of the Board of Directors		
Chartered Accountants (Firm Regn. No. 113817W)				
(NILESH LAKHANI) Proprietor Mem No. 047459 Mumbai, Dated 11th May, 2021		Praful Sheth Deepa Tracy Manish Chaudhari CFO & Co. Secretary Managing Director Director M. No. 6521 DIN 00516615 DIN 00516641 Mumbai, Dated 11th May, 2021		

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2021

	Rupees Year ended 31st March, 2021	Rupees Year ended 31st March, 2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	4,55,360	2,16,441
Adjustments for :		
Other financial and non-financial assets	1,16,881	1,92,811
Other financial and non-financial liabilities	38,336	(2,569)
	<u>1,55,217</u>	<u>1,90,242</u>
Less : Direct Taxes paid	6,10,577	4,06,683
Cash generated from operations	<u>(1,03,764)</u>	<u>1,31,450</u>
	5,06,813	5,38,133
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed deposits with NBFCs and Banks	(1,40,00,000)	(27,23,597)
Proceeds from fixed deposits held with banks	1,34,51,379	25,00,000
	<u>(5,48,621)</u>	<u>(2,23,597)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES	-	-
Net increase/(decrease) in cash and cash equivalents	<u>(41,808)</u>	<u>3,14,536</u>
Cash and cash equivalents at the close of the year	8,07,312	8,49,119
Cash and cash equivalents at the beginning of the year	8,49,119	5,34,583
	<u>(41,808)</u>	<u>3,14,536</u>

Significant accounting policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

Chartered Accountants

(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 11th May, 2021

Praful Sheth Deepa Tracy Manish Chaudhari

CFO & Co. Secretary Managing Director Director

M. No. 6521

DIN 00516615

DIN 00516641

Mumbai, Dated 11th May, 2021

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3

Cash and Cash Equivalents

Particulars	As at 31.03.2021	As at 31.03.2020
Balances with Banks (of the nature of cash and cash equivalents);	7,55,418	7,99,876
Cash on hand	51,893	49,243
Total	<u><u>8,07,312</u></u>	<u><u>8,49,119</u></u>

Note 4

Bank Balances other than Cash and Cash Equivalents

Particulars	As at 31.03.2021	As at 31.03.2020
Fixed Deposit Accounts (with original maturity of more than 3 months but less than 12 months)	35,00,000	1,69,51,379
Total	<u><u>35,00,000</u></u>	<u><u>1,69,51,379</u></u>

Note 5

Investments

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Investments in Fixed Deposits with Companies		
(i) HDFC Finance Limited	1,40,00,000	-
(ii) Mahindra & Mahindra Financial Services Limited	25,00,000	25,00,000
Total	<u><u>1,65,00,000</u></u>	<u><u>25,00,000</u></u>

Note 6

Other Financial Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on Fixed Deposits with Banks and Others	7,23,939	8,39,913
Total	<u><u>7,23,939</u></u>	<u><u>8,39,913</u></u>

Note-7

Current-tax assets

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Income -tax	2,39,229	1,35,465
Total	<u><u>2,39,229</u></u>	<u><u>1,35,465</u></u>

Note-8

Other Non-financial Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Prepaid Expenses	14,044	14,951
Total	<u><u>14,044</u></u>	<u><u>14,951</u></u>

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 9
Other Financial Liabilities **(Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Liabilities for Expenses	1,67,879	1,30,216
Total	1,67,879	1,30,216

Note 10
Other Non-Financial Liabilities **(Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Statutory Dues-Withholding Taxes	9,433	8,760
Total	9,433	8,760

Note 11
Share Capital **(Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Authorised		
1,00,00,000 Equity Shares of Rs.10 each	10,00,00,000	10,00,00,000
25,00,000 Redeemable Preference Shares of Rs.10 each	2,50,00,000	2,50,00,000
	12,50,00,000	12,50,00,000
Issued, Subscribed and Fully Paid-up		
40,00,000 Equity Shares of Rs.10 each, fully paid up	4,00,00,000	4,00,00,000
	4,00,00,000	4,00,00,000
Reconciliation of Equity shares outstanding as at the end of the year;		
As at the beginning of the year	40,00,000	40,00,000
Add/(Less) : Issued / (Bought back) during the year	-	-
As at the end of the year	40,00,000	40,00,000

Terms/ Rights attached to the Share Capital;

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of Shareholders holding more than 5 percent of the shares;
In respect of Equity Shares;**

Name of the Shareholder	As at 31.03.2021		As at 31.03.2020	
	No. of shares held	% of Total paid up equity capital	No. of shares held	% of Total paid up equity capital
Mrs. Deepa Tracy	11,17,740	27.94	11,10,968	27.77
Mr. Manish Chaudhari	10,99,625	27.49	10,99,625	27.49
Total	22,17,365	55.43	22,10,593	55.26

Note 12
Other Equity **(Rupees)**

Particulars	As at 31.03.2021	As at 31.03.2020
Securities Premium Reserve		
Opening balance	3,32,08,100	3,32,08,100
Additions	-	-
	3,32,08,100	3,32,08,100
Special Reserve (under Section 45 - IC of the Reserve Bank of India Act, 1934).		
Opening balance	6,50,000	6,50,000
Additions	-	-
	6,50,000	6,50,000
Deficit in the Statement of Profit and Loss		
Opening balance	(5,27,06,249)	(5,29,22,690)
Profit for the year	4,55,360	2,16,441
Other Comprehensive income/(loss) for the reporting period / year	-	-
Net deficit in the Statement of Profit and Loss	(5,22,50,889)	(5,27,06,249)
Total Other Equity	(1,83,92,789)	(1,88,48,149)

Notes: Nature and Purpose of Other Equity

1) Securities Premium Reserve -

Securities Premium Reserve is used to record the premium (amount received in excess of par value) on issue of shares. It can be utilised for limited purposes in accordance with the provisions of Companies Act, 2013

2) Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934) -

Special reserve fund is the fund created as per the terms of Section 45-IC of the Reserve Bank of India, 1934 as a Statutory Reserve. A Non-Banking Finance Reserve Fund is permitted only for the purposes specified by RBI. Company is required to transfer an amount of not less than twenty percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

3) Retained Earnings-

Retained earnings represents accumulated profits / losses.

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 13

Revenue from Operations

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on Bank Deposits and Others	12,68,589	13,54,651
Total	<u>12,68,589</u>	<u>13,54,651</u>

Note 14

Other Income

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on Income-tax refund	8,125	15,555
Sundry income	-	6,000
Total	<u>8,125</u>	<u>21,555</u>

Note 15

Other Expenses

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Rates and Taxes	2,500	2,500
Printing and stationery	6,415	1,23,531
Travelling and conveyance	7,966	12,095
Advertisement	44,906	65,349
Communication expenses	5,390	1,18,365
Listing and Registration Fees	4,63,287	4,26,998
Membership and Subscription	21,240	21,240
Legal & Professional Charges	2,06,646	2,99,571
Auditors' Remuneration:		
Audit fee	29,500	29,500
Other Services (certification fees)	8,850	8,850
	<u>38,350</u>	<u>38,350</u>
Miscellaneous Expenses	24,654	51,766
Total	<u>8,21,354</u>	<u>11,59,765</u>

SAVANI FINANCIALS LIMITED
CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Disclosure as required by IND AS -33 -Earnings Per Share-

Particulars	31-03-2021	31-03-2020
Profit after taxation, refund of income tax and before Exceptional Item	4,55,360	2,16,441
Profit after taxation, refund of income tax and Exceptional Item	4,55,360	2,16,441
Number of Equity Shares (Face Value Rs.10/-)	40,00,000	40,00,000
Earning Per Equity Share - in Rupees - Basic and diluted	0.11	0.05

17. Deferred tax assets/ liabilities –

The Company has unabsorbed depreciation and carried forward losses under tax laws. The Company has not recognized deferred tax assets on brought forward business losses and unabsorbed depreciation since there is no certainty that future taxable profits against which such losses can be utilized would be available.

18. Related Party Disclosures-

Names of the related parties -

Key Management Personnel -

Mrs. Deepa Tracy - Managing Director

Mr. Manish Chaudhari - Director

Mr. Praful Seth – CFO & Company secretary

The Company does not have any transactions with related parties as per IND AS -24 'Related Party Disclosures'.

19. Fair Values-

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

20. Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy-

Financial instruments carried at fair value, by valuation method at 31st March, 2021 at the different levels have been defined as follows:

Level 1:

Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2:

Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3:

Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

The carrying amount of debt securities, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2021, 31st March, 2020 and 1st April, 2019 are considered to the same as fair values, due to their short- term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

21. Risk management objectives and policies

A. Financial risk management

The Company's activities are exposed to a variety of market risk (including interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

i. Market Risk

Market rate is the risk that arises from changes in market prices, such as prices, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise and manage the Company's interest rate risk,

iii. Liquidity Risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Company arise in respect of the trade and other payables. Trade and other payables are all payable within 12 months. The Company manages liquidity risk by maintaining adequate surplus, by continuously monitoring forecasts and actual cash flows.

The Company has a system of regularly forecasting cash inflows and outflows and all liquidity requirements are planned. Forecast for trade and other payables is regularly monitored to ensure timely funding. All payments are made within due dates.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

iv. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value.

v. The Company does not have any foreign currency exposures.

22. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(Rupees)						
Particulars	As at 31-03-2021			As at 31-03-2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I) ASSETS						
(1) Financial Assets						
(i) Cash and Cash Equivalents	8,07,312	-	8,07,312	8,49,119	-	8,49,119
(ii) Bank balances other than (i) above	35,00,000	-	35,00,000	1,69,51,379	-	1,69,51,379
(iii) Investments	-	1,65,00,000	1,65,00,000	-	25,00,000	25,00,000
(iv) Others financial assets	10,112	7,13,827	7,23,939	7,68,252	71,661	8,39,913
	43,17,424	1,72,13,827	2,15,31,250	1,85,68,750	25,71,661	2,11,40,411

(2) Non-Financial Assets						
(i) Current-tax assets	1,43,590	95,639	2,39,229	-	1,35,465	1,35,465
(ii) Other non-financial assets	13,977	67	14,044	14,821	130	14,951
	1,57,567	95,706	2,53,273	14,821	1,35,595	1,50,416
TOTAL ASSETS	44,74,991	1,73,09,532	2,17,84,523	1,85,83,571	27,07,256	2,12,90,827
II) LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
Other Financial Liabilities	1,67,879	-	1,67,879	1,30,216	-	1,30,216
(2) Non-Financial Liabilities						
Other Non-Financial Liabilities	9,433	-	9,433	8,760	-	8,760
(3) Equity						
(a) Equity Share Capital	-	4,00,00,000	4,00,00,000	-	4,00,00,000	4,00,00,000
(b) Other Equity	-	(1,83,92,789)	(1,83,92,789)	-	(1,88,48,149)	(1,88,48,149)
Total Equity	-	2,16,07,211	2,16,07,211	-	2,11,51,851	2,11,51,851
TOTAL LIABILITIES AND EQUITY	1,77,312	2,16,07,211	2,17,84,523	1,38,976	2,11,51,851	2,12,90,827

23. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from 2nd October, 2006, certain disclosures are required to be made relating to such enterprises. The Company has no suppliers covered under the MSMED Act. The same has been determined to the extent such parties have been identified on the basis of information available with the company. Other information/disclosures relating to payments made beyond the appointed date, interest accrued and paid and cumulative interest are not applicable being Nil.

24. First time adoption of Ind As -Transition to IND AS:

As stated in Note 2.1 (a) above, the Company's financial statements for the year ended 31st March, 2020 are the first financial statements prepared in compliance with IND AS.

All applicable IND AS have been applied consistently. The resulting difference between the carrying amounts of assets and liabilities under Ind AS and Indian GAAP as of transition date, if any, have been recognised directly in equity at the transition date.

Reconciliation:

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for previous periods.

There were no differences between equity presented under Ind AS and Previous GAAP.

The following table represent the net profit reconciliations from previous GAAP to Ind AS.

Reconciliation of net profit as per IND AS and Indian GAAP			
(Rupees)			
Sr. No	Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
1	Net Profit after tax as reported under previous GAAP	4,55,360	2,16,441
2	Add : / (Less) : INDAS adjustments	-	-
3	Net Profit after tax as per Ind AS	4,55,360	2,16,441

25. Reconciliation of Statement of Cash Flows

There were no differences between statement of cash flows presented under Ind AS and Previous GAAP.

26. Segment reporting-

The company is engaged only in the business of providing financial services and accordingly there are no separate reportable segments as per IND AS- 108 on 'Operating Segment'.

Signatures to the Notes to the Financial Statements form an integral part of these Financial Statements.

**As per our report of even date attached
For Nilesh Lakhani and Associates**

Chartered Accountants

(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(Praful Sheth) (Deepa Tracy) (Manish Chaudhari)

(NILESH LAKHANI)

CFO & Co. Secretary Managing Director Director

Proprietor

M. No. 6521

DIN 00516615

DIN 00516641

Mem No. 047459

Mumbai, Dated 11th May, 2021

Mumbai, Dated 11th May, 2021

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2022

(Rupees in lacs)

Particulars	Note No.	As at 31st Mar, 2022	As at 31st March, 2021
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	3	0.65	8.07
(ii) Bank balances other than (i) above	4	36.52	35.00
(iii) Investments	5	174.96	165.00
(iv) Others financial assets	6	5.97	7.24
	Sub-Total	218.10	215.31
(2) Non-Financial Assets			
(i) Current-tax assets	7	1.13	2.39
(ii) Other non-financial assets	8	0.17	0.14
	Sub-Total	1.30	2.53
	TOTAL ASSETS	219.40	217.84
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
Other Financial Liabilities	9		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		1.68	1.68
		1.68	1.68
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	10	0.14	0.09
(3) Equity			
(a) Equity Share Capital	11	400.00	400.00
(b) Other Equity	12	(182.42)	(183.93)
	Total Equity	217.58	216.07
	TOTAL LIABILITIES AND EQUITY	219.40	217.84

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

Chartered Accountants

(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 13th May, 2022

Anusha Sultania

Co. Secretary

M. No.A56448

Mumbai, Dated 13th May, 2022

Deepa Tracy

Managing Director

DIN 00516615

Manish Chaudhari

Director

DIN 00516641

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rupees in lacs)

Particulars	Note No.	Year ended 31st Mar, 2022	Year ended 31st March, 2021
I INCOME			
Revenue from Operations	13	11.34	12.68
Other Income	14	0.06	0.08
	TOTAL INCOME	11.40	12.76
II EXPENSES			
Employee Benefit expenses	15	0.30	-
Other Expenses	16	9.59	8.21
	TOTAL EXPENSES	9.89	8.21
	PROFIT BEFORE TAX	1.51	4.55
III TAX EXPENSE			
Current Tax		-	-
	TOTAL TAX EXPENSE	-	-
	PROFIT FOR THE YEAR	1.51	4.55
IV OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Items that be reclassified to Profit or Loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1.51	4.55
EARNINGS PER EQUITY SHARE OF FV RS.10/- EACH			
Basic and Diluted		0.04	0.11

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn. No. 113817W)

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 13th May, 2022

Anusha Sultania

Co. Secretary

M. No. A56448

Mumbai, Dated 13th May, 2022

Deepa Tracy

Managing Director

DIN 00516615

Manish Chaudhari

Director

DIN 00516641

SAVANI FINANCIALS LIMITED				
(CIN : L67120MH1983PLC031614)				
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022				
A. SHARE CAPITAL				
1. EQUITY SHARE CAPITAL	As at 31st March, 2022		As at 31st March, 2021	
	No.	Rs. in lacs	No.	Rs. in lacs
Authorised Share Capital	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued Share Capital	40,00,000	400.00	40,00,000	400.00
Subscribed Share Capital	40,00,000	400.00	40,00,000	400.00
Fully Paid-up Share Capital	40,00,000	400.00	40,00,000	400.00
Subscribed but not fully paid-up	-	-	-	-
Balance at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Changes in equity share capital during the year				
Issued during the year	-	-	-	-
Balance at the end of the reporting year	40,00,000	400.00	40,00,000	400.00
Terms/ Rights attached to the Equity Share Capital-				
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.				
2. PREFERENCE SHARE CAPITAL	As at 31st March, 2022		As at 31st March, 2021	
	No.	Rs. In lacs	No.	Rs. In lacs
Authorised Share Capital				
0% Redeemable Preference Shares	25,00,000	250.00	25,00,000	250.00
Issued Subscribes and Fully paid-up Share Capital				
0% Redeemable Preference Shares			-	-
Details of each shareholder holding more than five per cent shares				
	As at 31st March, 2022		As at 31st March, 2021	
Name of the Shareholder	No.	Rs. In lacs	No.	Rs. In lacs
Mrs. Deepa Tracy	11,86,351	118.64	11,17,740	111.77
Mr. Manish Chaudhari	10,99,625	109.96	10,99,625	109.96
Details of shareholding of promoters				
	As at 31st March, 2022		As at 31st March, 2021	
Name of the Shareholder	No.	Rs. In lacs	No.	Rs. In lacs
Mrs. Deepa Tracy	11,86,351	118.64	11,17,740	111.77
Mr. Manish Chaudhari	10,99,625	109.96	10,99,625	109.96
B. OTHER EQUITY				
	Rupees in Lacs			
Particulars	Securities Premium Reserve	Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934)	Retained Earnings	TOTAL
Balance as at 1st April, 2020	332.08	6.50	(527.06)	(188.48)
Profit for the Comparative Year	-	-	4.55	4.55
Other Comprehensive Income for the Comparative Year	-	-	-	-
Total Comprehensive Income for the Comparative Year	-	-	4.55	4.55
Balance as at 31st March, 2021	332.08	6.50	(522.51)	(183.93)
Additions during the Year	-	-	-	-
Profit for the Current Reporting Year	-	-	1.51	1.51
Other Comprehensive Income for the Comparative Year	-	-	-	-
Total Comprehensive Income for the Comparative Year	-	-	1.51	1.51
Balance as at 31st March, 2022	332.08	6.50	(521.00)	(182.42)
Significant accounting policies	Note No. 2			
The accompanying notes form an integral part of the Financial Statements				
As per our report of even date attached For Nilesh Lakhani and Associates Chartered Accountants (Firm Regn. No. 113817W)		For and on behalf of the Board of Directors		
(NILESH LAKHANI) Proprietor Mem No. 047459 Mumbai, Dated 13th May, 2022		Anusha Sultania Deepa Tracy Manish Chaudhari Co. Secretary Managing Director Director M. No.A56448 DIN 00516615 DIN 00516641 Mumbai, Dated 13th May, 2022		

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2022

(Rupees in lacs)

	Year ended 31st March, 2022	Year ended 31st March, 2021
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1.51	4.55
Adjustments for :		
Other financial and non-financial assets	1.25	1.17
Other financial and non-financial liabilities	0.04	0.38
	1.29	1.55
	2.80	6.11
Less : Direct Taxes paid	1.26	(1.04)
Cash generated from operations	4.06	5.07
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed deposits with NBFCs and Banks	(9.96)	(140.00)
Proceeds from fixed deposits held with banks	(1.52)	134.51
	(11.48)	(5.49)
C. CASH FLOW FROM FINANCIAL ACTIVITIES	-	-
Net increase/(decrease) in cash and cash equivalents	(7.42)	(0.42)
Cash and cash equivalents at the close of the year	0.65	8.07
Cash and cash equivalents at the beginning of the year	8.07	8.49
	(7.42)	(0.42)

Significant accounting policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For Nilesh Lakhani and Associates

Chartered Accountants
(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(NILESH LAKHANI)

Proprietor

Mem No. 047459

Mumbai, Dated 13th May, 2022

Anusha Sultania Deepa Tracy Manish Chaudhari

Co. Secretary Managing Director Director

M. No. A56448

DIN 00516615

DIN 00516641

Mumbai, Dated 13th May, 2022

SAVANI FINANCIALS LIMITED

(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

Note 3

Cash and Cash Equivalents

	<u>As at 31.03.2022</u> (Rs. In lacs)	<u>As at 31.03.2021</u> (Rs. In lacs)
Balances with Banks (of the nature of cash and cash equivalents);	0.53	7.55
Cash on hand	0.12	0.52
	<u>0.65</u>	<u>8.07</u>

Note 4

Bank Balances other than Cash and Cash Equivalents

Fixed Deposit Accounts with original maturity of more than 3 months	36.52	35.00
	<u>36.52</u>	<u>35.00</u>

Note 5

Investments

(a) Investments in Fixed Deposits with Companies

(i) HDFC Finance Limited	147.22	140.00
(ii) Mahindra & Mahindra Financial Services Limited	27.74	25.00
	<u>174.96</u>	<u>165.00</u>

Note 6

Other Financial Assets

Interest accrued on Fixed Deposits with Banks and Others	5.97	7.24
	<u>5.97</u>	<u>7.24</u>

Note-7

Current-tax assets

Advance Income -tax	1.13	2.39
	<u>1.13</u>	<u>2.39</u>

Note-8

Other Non-financial Assets

Prepaid Expenses	0.17	0.14
	<u>0.17</u>	<u>0.14</u>

Note 9

Other Financial Liabilities

Liabilities for Expenses (Refer Note no. 24)	1.68	1.68
	<u>1.68</u>	<u>1.68</u>

Note 10

Other Non-Financial Liabilities

Statutory Dues-Withholding Taxes	0.14	0.09
	<u>0.14</u>	<u>0.09</u>

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	<u>As at 31.03.2022</u>	<u>As at 31.03.2021</u>
	(Rs in lacs)	(Rs in lacs)
Note 11		
Share Capital		
Authorised		
1,00,00,000 Equity Shares of Rs.10 each	1,000.00	1,000.00
25,00,000 Redeemable Preference Shares of Rs.10 each	250.00	250.00
	<u>1,250.00</u>	<u>1,250.00</u>
Issued, Subscribed and Fully Paid-up		
40,00,000 Equity Shares of Rs.10 each, fully paid up	400.00	400.00
	<u>400.00</u>	<u>400.00</u>
Reconciliation of Equity shares outstanding as at the end of the year;		
As at the beginning of the year	40,00,000	40,00,000
Add/(Less) : Issued / (Bought back) during the year	-	-
As at the end of the year	<u>40,00,000</u>	<u>40,00,000</u>
Terms/ Rights attached to the Share Capital;		
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.		
Details of Shareholders holding more than 5 percent of the shares; In respect of Equity Shares;		
	<u>As at 31.03.2022</u>	<u>As at 31.03.2021</u>
Name of the Shareholder	No. of shares held	% of Total paid up equity capital
	No. of shares held	% of Total paid up equity capital
Mrs. Deepa Tracy	11,86,351	29.66
Mr. Manish Chaudhari	10,99,625	27.49
Total	<u>22,85,976</u>	<u>57.15</u>
Shares held by Promoters at the end of the year		
Shares held by Promoters at the end of the year	No. of shares held	% of Total Shares
	No. of shares held	% of Total Shares
Mrs. Deepa Tracy	11,86,351	29.66
Mr. Manish Chaudhari	10,99,625	27.49
Total	<u>22,85,976</u>	<u>57.15</u>
		% Change during the year
		1.72
		-
		<u>1.72</u>
Note 12		
Other Equity		
Securities Premium Reserve		
Opening balance	332.08	332.08
Additions	-	-
	<u>332.08</u>	<u>332.08</u>
Special Reserve (under Section 45 - IC of the Reserve Bank of India Act, 1934).		
Opening balance	6.50	6.50
Additions	-	-
	<u>6.50</u>	<u>6.50</u>
Deficit in the Statement of Profit and Loss		
Opening balance	(522.51)	(527.06)
Profit for the year	1.51	4.55
Other Comprehensive income/(loss) for the reporting year	-	-
	<u>(521.00)</u>	<u>(522.51)</u>
Net deficit in the Statement of Profit and Loss	<u>(521.00)</u>	<u>(522.51)</u>
Total Other Equity	<u>(182.42)</u>	<u>(183.93)</u>
Notes: Nature and Purpose of Other Equity		
1) Securities Premium Reserve -		
Securities Premium Reserve is used to record the premium (amount received in excess of par value) on issue of shares. It can be utilised for limited purposes in accordance with the provisions of Companies Act, 2013		
2) Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934) -		
Special reserve fund is the fund created as per the terms of Section 45-IC of the Reserve Bank of India, 1934 as a Statutory Reserve. A Non-Banking Finance Reserve Fund is permitted only for the purposes specified by RBI. Company is required to transfer an amount of not less than twenty percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.		
3) Retained Earnings-		
Retained earnings represents accumulated profits / losses.		

SAVANI FINANCIALS LIMITED

(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

	<u>Year ended</u> <u>31st Mar, 2022</u> (Rs in lacs)	<u>Year ended</u> <u>31st March, 2021</u> (Rs in lacs)
Note 13		
Revenue from Operations		
Interest on Bank Deposits and Others	11.34	12.68
Total	<u>11.34</u>	<u>12.68</u>
Note 14		
Other Income		
Interest on Income-tax refund	0.06	0.08
Total	<u>0.06</u>	<u>0.08</u>
Note 15		
Employee Benefit expense		
	0.30	-
	<u>0.30</u>	<u>-</u>
Note 16		
Other Expenses		
Rates and Taxes	0.03	0.03
Printing and stationery	0.64	0.06
Travelling and conveyance	-	0.08
Advertisement	0.54	0.45
Communication expenses	0.45	0.05
Listing and Registration Fees	4.62	4.63
Membership and Subscription	0.44	0.21
Legal & Professional Charges	2.28	2.07
Auditors' Remuneration:		
Audit fee	0.30	0.30
Other Services (certification fees)	0.09	0.09
	<u>0.39</u>	<u>0.38</u>
Miscellaneous Expenses	0.20	0.25
Total	<u>9.59</u>	<u>8.21</u>

SAVANI FINANCIALS LIMITED
CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2022

17. Disclosure as required by IND AS -33 -Earnings Per Share-

(Rs. In lacs)

Particulars	31-03-2022	31-03-2021
Profit after taxation, refund of income tax and before Exceptional Item	1.51	4.55
Profit after taxation, refund of income tax and Exceptional Item	1.51	4.55
Number of Equity Shares (Face Value Rs.10/-)	40,00,000	40,00,000
Earning Per Equity Share - in Rupees - Basic and diluted (in Rs.)	0.04	0.11

18. Deferred tax assets/ liabilities -

The Company has unabsorbed depreciation and carried forward losses under tax laws. The Company has not recognized deferred tax assets on brought forward business losses and unabsorbed depreciation since there is no certainty that future taxable profits against which such losses can be utilized would be available.

19. Related Party Disclosures-

Names of the related parties -

Key Management Personnel -

Mrs. Deepa Tracy - Managing Director

Mr. Manish Chaudhari - Director

Mr. Praful Seth - CFO & Company secretary (till 28.02.2022)

The Company does not have any transactions with related parties as per IND AS -24 'Related Party Disclosures'.

20. Fair Values-

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

21. Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy-

Financial instruments carried at fair value, by valuation method at 31st March, 2022 at the different levels have been defined as follows:

Level 1:

Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2:

Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3:

Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

The carrying amount of debt securities, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2022 and 31st March, 2021 are considered to the same as fair values, due to their short- term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

22. Risk management objectives and policies

A. Financial risk management

The Company's activities are exposed to a variety of market risk (including interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

i. Market Risk

Market rate is the risk that arises from changes in market prices, such as prices, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise and manage the Company's interest rate risk,

iii. Liquidity Risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Company arise in respect of the trade and other payables. Trade and other payables are all payable within 12 months. The Company manages liquidity risk by maintaining adequate surplus, by continuously monitoring forecasts and actual cash flows.

The Company has a system of regularly forecasting cash inflows and outflows and all liquidity requirements are planned. Forecast for trade and other payables is regularly monitored to ensure timely funding. All payments are made within due dates.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

iv. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value.

v. The Company does not have any foreign currency exposures.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(Rupees in lacs)

Particulars	As at 31-03-2022			As at 31-03-2021		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I) ASSETS						
(1) Financial Assets						
(i) Cash and Cash Equivalents	0.65	-	0.65	8.07	-	8.07
(ii) Bank balances other than (i) above	36.52	-	36.52	35.00	-	35.00
(iii) Investments	91.10	83.86	174.96	-	165.00	165.00
(iv) Others financial assets	2.77	3.20	5.97	0.10	7.14	7.24
	131.04	87.06	218.10	43.17	172.14	215.31
(2) Non-Financial Assets						
(i) Current-tax assets	-	1.13	1.13	1.44	0.96	2.39
(ii) Other non-financial assets	0.17	-	0.17	0.14	0.00	0.14
	0.17	1.13	1.30	1.58	0.96	2.53
TOTAL ASSETS	131.21	88.19	219.40	44.75	173.10	217.85
II) LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
Other Financial Liabilities	1.68	-	1.68	1.68	-	1.68
(2) Non-Financial Liabilities						
Other Non-Financial Liabilities	0.14	-	0.14	0.09	-	0.09
(3) Equity						
(a) Equity Share Capital	-	400.00	400.00	-	400.00	400.00
(b) Other Equity	-	(182.42)	(182.42)	-	(183.93)	(183.93)
Total Equity	-	217.58	217.58	-	216.07	216.07
TOTAL LIABILITIES AND EQUITY	1.82	217.58	219.40	1.77	216.07	217.85

24. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from 2nd October, 2006, certain disclosures are required to be made relating to such enterprises. The Company has no suppliers covered under the MSMED Act. The same has been determined to the extent such parties have been identified on the basis of information available with the company. Other information/disclosures relating to payments made beyond the appointed date, interest accrued and paid and cumulative interest are not applicable being Nil (Previous Year – Rs. Nil).

25. Analytical Ratios

Sr. No.	Particulars	31 st March, 2022	31 st March, 2021
(a)	Capital to risk-weighted assets ratio (CRAR)	Not applicable	Not applicable
(b)	Tier I CRAR	Not applicable	Not applicable
(c)	Tier II CRAR	Not applicable	Not applicable
(d)	Liquidity Coverage Ratio	Not applicable	Not applicable

26. Segment reporting-

The company is engaged only in the business of providing financial services and accordingly there are no separate reportable segments as per IND AS- 108 on 'Operating Segment'.

27. Relationship with struck off companies:-

During the year, the Company has not entered into any transaction with struck off companies.

28. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

- a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- d) The Company has not entered into any scheme of arrangement.
- e) No satisfaction of charges is pending to be filed with Registrar of companies.
- f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- g) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity ("Funding Parties"), 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.

Signatures to the Notes to the Financial Statements form an integral part of these Financial Statements.

**As per our report of even date attached
For Nilesh Lakhani and Associates**

Chartered Accountants

(Firm Regn. No. 113817W)

For and on behalf of the Board of Directors

(Anusha Sultania) (Deepa Tracy) (Manish Chaudhari)

(NILESH LAKHANI)

Co. Secretary

Managing Director

Director

Proprietor

M. No. A56448

DIN 00516615

DIN 00516641

Mem No. 047459

Mumbai, Dated 13th May, 2022

Mumbai, Dated 13th May, 2022

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(Rupees in Lacs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	3	14.80	0.65
(ii) Bank balances other than (i) above	4	-	36.52
(iii) Investments	5	188.95	174.96
(iv) Others financial assets	6	7.88	5.97
	Sub-Total	211.63	218.10
(2) Non-Financial Assets			
(i) Current-tax assets	7	1.11	1.13
(ii) Other non-financial assets	8	0.18	0.17
	Sub-Total	1.29	1.30
	TOTAL ASSETS	212.92	219.40
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
Payables			
i) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		0.81	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1.57	1.32
ii) Other payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		0.11	0.36
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	10	0.21	0.14
(3) Equity			
(a) Equity Share Capital	11	400.00	400.00
(b) Other Equity	12	(189.78)	(182.42)
	Total Equity	210.22	217.58
	TOTAL LIABILITIES AND EQUITY	212.92	219.40

Significant Accounting Policies 2
The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For SCA and Associates

Chartered Accountants

(Firm Regn. No. 101174W)

For and on behalf of the Board of Directors

Deepa Tracy
Managing Director
DIN 00516615

Manish Chaudhari
Director
DIN 00516641

(SHIVRATAN AGARWAL)

Partner

Mem No. 104180

Mumbai, Dated : 10th May, 2023

Praful Sheth

Co. Secretary

M. No. A6521

Mumbai, Dated : 10th May, 2023

Sejal Bisra

Chief Financial Officer

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2023

(Rupees in Lacs)

Particulars	Note No.	As at 31st March, 2023	As at 31st March, 2022
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	3	14.80	0.65
(ii) Bank balances other than (i) above	4	-	36.52
(iii) Investments	5	188.95	174.96
(iv) Others financial assets	6	7.88	5.97
	Sub-Total	211.63	218.10
(2) Non-Financial Assets			
(i) Current-tax assets	7	1.11	1.13
(ii) Other non-financial assets	8	0.18	0.17
	Sub-Total	1.29	1.30
	TOTAL ASSETS	212.92	219.40
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
 Payables			
 i) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		0.81	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		1.57	1.32
 ii) Other payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		0.11	0.36
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	10	0.21	0.14
(3) Equity			
(a) Equity Share Capital	11	400.00	400.00
(b) Other Equity	12	(189.78)	(182.42)
	Total Equity	210.22	217.58
	TOTAL LIABILITIES AND EQUITY	212.92	219.40

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For SCA and Associates

For and on behalf of the Board of Directors

Chartered Accountants

(Firm Regn. No. 101174W)

Deepa Tracy
Managing Director
DIN 00516615

Manish Chaudhari
Director
DIN 00516641

(SHIVRATAN AGARWAL)

Partner

Mem No. 104180

Mumbai, Dated : 10th May, 2023

Praful Sheth

Co. Secretary

M. No. A6521

Mumbai, Dated : 10th May, 2023

Sejal Bisra

Chief Financial Officer

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH, 2023
(Rupees in lacs)

	Rupees Year ended 31st March, 2023	Rupees Year ended 31st March, 2022
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(7.36)	1.51
Adjustments for :		
Other financial and non-financial assets	(1.92)	1.25
Other financial and non-financial liabilities	0.87	0.04
	<u>(1.05)</u>	<u>1.29</u>
	(8.40)	2.80
Less : Direct Taxes paid	0.02	1.26
Cash generated from operations	<u>(8.38)</u>	<u>4.06</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Investment in Fixed deposits with NBFCs and Banks	(105.00)	(174.96)
Proceeds from fixed deposits held with banks	127.53	163.48
	<u>22.53</u>	<u>(11.48)</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES	<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>14.15</u>	<u>(7.42)</u>
Cash and cash equivalents at the close of the year	14.80	0.65
Cash and cash equivalents at the beginning of the year	0.65	8.07
	<u>14.14</u>	<u>(7.42)</u>

Significant accounting policies

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached
For SCA and Associates
Chartered Accountants
(Firm Regn. No. 101174W)

(SHIVRATAN AGARWAL)
Partner
Mem No. 104180
Mumbai, Dated 10th May, 2023

For and on behalf of the Board of Directors

Deepa Tracy
Managing Director
DIN 00516615

Manish Chaudhari
Director
DIN 00516641

Praful Sheth
Co. Secretary
M. No. A6521

Sejal Bisra
Chief Financial Officer

Mumbai, Dated : 10th May, 2023

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

A. SHARE CAPITAL

1. EQUITY SHARE CAPITAL

	As at 31st March, 2023		As at 31st March, 2022	
	No.	Rs. in lacs	No.	Rs. in lacs
Authorised Share Capital	1,00,00,000	1,000.00	1,00,00,000	1,000.00
Issued Share Capital	40,00,000	400.00	40,00,000	400.00
Subscribed Share Capital	40,00,000	400.00	40,00,000	400.00
Fully Paid-up Share Capital	40,00,000	400.00	40,00,000	400.00
Subscribed but not fully paid-up	-	-	-	-
Balance at the beginning of the year	40,00,000	400.00	40,00,000	400.00
Changes in equity share capital during the year	-	-	-	-
Issued during the year	-	-	-	-
Balance at the end of the reporting year	40,00,000	400.00	40,00,000	400.00

Terms/ Rights attached to the Equity Share Capital-

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion

2. PREFERENCE SHARE CAPITAL

	As at 31st March, 2023		As at 31st March, 2022	
	No.	Rs. in lacs	No.	Rs. in lacs
Authorised Share Capital				
0% Redeemable Preference Shares	25,00,000	250.00	25,00,000	250.00
Issued Subscribes and Fully paid-up Share Capital				
0% Redeemable Preference Shares	-	-	-	-

Details of each shareholder holding more than five per cent of Equity shares

Name of the Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No.	Rs. in lacs	No.	Rs. in lacs
Mrs. Deepa Tracy	11,86,351	118.64	11,86,351	118.64
Mr. Manish Chaudhari	10,99,625	109.96	10,99,625	109.96

Details of shareholding of promoters

Name of the Promoter	As at 31st March, 2023		
	No. of shares	% of total share	% of change during the year
Mrs. Deepa Tracy	11,86,351	29.66	-
Mr. Manish Chaudhari	10,99,625	27.49	-

Details of shareholding of promoters

Name of the Promoter	As at 31st March, 2022		
	No. of shares	% of total shares	% of change during the year
Mrs. Deepa Tracy	11,86,351	29.66	-
Mr. Manish Chaudhari	10,99,625	27.49	-

B. OTHER EQUITY

(Rupees in Lacs)

Particulars	Securities Premium Reserve	Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934)	Retained Earnings	TOTAL
Profit for the Comparative Year	-	-	1.51	1.51
Other Comprehensive Income for the Comparative Year	-	-	-	-
Total Comprehensive Income for the Comparative Year	-	-	-	-
Balance as at 31st March, 2022	332.08	6.50	(521.00)	(182.42)
Additions during the Year	-	-	-	-
Profit / (Loss) for the Current Reporting Year	-	-	(7.36)	(7.36)
Other Comprehensive Income for the Comparative Year	-	-	-	-
Total Comprehensive Income for the Comparative Year	-	-	-	-
Balance as at 31st March, 2023	332.08	6.50	(528.36)	(189.78)

Significant accounting policies

Note No. 2

The accompanying notes form an integral part of the Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For SCA and Associates
Chartered Accountants
(Firm Regn. No. 101174W)

Deepa Tracy Managing Director DIN 00516615	Manish Chaudhari Director DIN 00516641
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(SHIVRATAN AGARWAL)
Partner

Praful Sheth Co. Secretary M. No. A6521	Sejal Bisra Chief Financial Officer
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Mem No. 104180
Mumbai, Dated 10th May, 2023

Mumbai, Dated : 10th May, 2023

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 3

Cash and Cash Equivalents

	As at 31st March, 2023 (Rs. In lacs)	As at 31st March, 2022 (Rs. In lacs)
Balances with Banks (of the nature of cash and cash equivalents);	14.28	0.54
Cash on hand	0.52	0.12
	<u>14.80</u>	<u>0.65</u>

Note 4

Bank Balances other than Cash and Cash Equivalents

Fixed Deposit Accounts with bank other than cash and cash equivalents	-	36.52
	<u>-</u>	<u>36.52</u>

Note 5

Investments

(a) Investments in Fixed Deposits with Companies

(i) HDFC Finance Limited	188.95	147.22
(ii) Mahindra & Mahindra Financial Services Limited	-	27.73
	<u>188.95</u>	<u>174.96</u>

Note 6

Other Financial Assets

Interest accrued on Fixed Deposits with Banks and Others	7.88	5.97
	<u>7.88</u>	<u>5.97</u>

Note-7

Current-tax assets

Advance Income -tax	1.11	1.13
	<u>1.11</u>	<u>1.13</u>

Note-8

Other Non-financial Assets

Prepaid Expenses	0.18	0.17
	<u>0.18</u>	<u>0.17</u>

Note 9

Financial liabilities

(A) total outstanding dues of micro enterprises and small enterprises

i) Trade payables		
Unbilled dues	0.81	-
(ii) Other payables	-	-

(B) total outstanding dues of creditors other than micro enterprises and small enterprises

i) Trade payables		
Less than 1 year	1.57	1.32
(ii) Other payables	0.11	0.36
	<u>2.49</u>	<u>1.68</u>

Note 10

Other Non-Financial Liabilities

Statutory Dues-Withholding Taxes	0.21	0.14
	<u>0.21</u>	<u>0.14</u>

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 11

Share Capital

	As at 31.03.2023 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
Authorised		
1,00,00,000 Equity Shares of Rs.10 each	1,000.00	1,000.00
25,00,000 Redeemable Preference Shares of Rs.10 each	250.00	250.00
	<u>1,250.00</u>	<u>1,250.00</u>
Issued, Subscribed and Fully Paid-up		
40,00,000 Equity Shares of Rs.10 each, fully paid up	400.00	400.00
	<u>400.00</u>	<u>400.00</u>
Reconciliation of Equity shares outstanding as at the end of the year;	No of shares	No of shares
As at the beginning of the year	40,00,000	40,00,000
Add/(Less) : Issued / (Bought back) during the period/year	-	-
As at the end of the period/year	<u>40,00,000</u>	<u>40,00,000</u>

Terms/ Rights attached to the Share Capital;

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Details of Shareholders holding more than 5 percent of the shares;

In respect of Equity Shares;

Name of the Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of shares held	% of Total paid up equity capital	No. of shares held	% of Total paid up equity capital
Mrs. Deepa Tracy	11,86,351	29.66	11,86,351	29.66
Mr. Manish Chaudhari	10,99,625	27.49	10,99,625	27.49
Total	<u>22,85,976</u>	<u>57.15</u>	<u>22,85,976</u>	<u>57.15</u>

Note 12

Other Equity

Securities Premium Reserve

	As at 31.03.2022 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
Opening balance	332.08	332.08
Additions	-	-
	<u>332.08</u>	<u>332.08</u>

Special Reserve (under Section 45 - IC of the Reserve

Bank of India Act, 1934).

	As at 31.03.2022 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
Opening balance	6.50	6.50
Additions	-	-
	<u>6.50</u>	<u>6.50</u>

Deficit in the Statement of Profit and Loss

	As at 31.03.2022 (Rs. In lacs)	As at 31.03.2022 (Rs. In lacs)
Opening balance	(521.00)	(522.51)
Profit/(Loss) for the year	(7.36)	1.51
Other Comprehensive income/(loss) for the reporting year	-	-
Net deficit in the Statement of Profit and Loss	<u>(528.36)</u>	<u>(521.00)</u>
Total Other Equity	<u>(189.78)</u>	<u>(182.42)</u>

Notes: Nature and Purpose of Other Equity

1) Securities Premium Reserve -

Securities Premium Reserve is used to record the premium (amount received in excess of par value) on issue of shares. It can be utilised for limited purposes in accordance with the provisions of Companies Act, 2013

2) Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934) -

Special reserve fund is the fund created as per the terms of Section 45-IC of the Reserve Bank of India, 1934 as a Statutory Reserve. A Non-Banking Finance Reserve Fund is permitted only for the purposes specified by RBI. Company is required to transfer an amount of not less than twenty percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

3) Retained Earnings-

Retained earnings represents accumulated profits / losses.

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023

Note 13

Revenue from Operations

	Year ended 31st Mar, 2023 (Rs. In lacs)	Year ended 31st Mar, 2022 (Rs. In lacs)
Interest on Bank Deposits and Others	11.10	11.34
Total	11.10	11.34

Note 14

Other Income

Interest on Income-tax refund	0.05	0.06
Total	0.05	0.06

Note 15

Employee Benefit expense

2.79	0.30
2.79	0.30

Note 16

Other Expenses

Rates and Taxes	0.03	0.03
Printing and stationery	-	0.64
Travelling and conveyance	0.11	-
Advertisement	0.47	0.54
Communication expenses	0.04	0.45
Listing and Registration Fees	4.68	4.62
Membership and Subscription	0.33	0.44
Legal & Professional Charges	8.80	2.28
Auditors' Remuneration:		
Audit fee	0.78	0.30
Other Services (certification fees)	0.17	0.09
0.95	0.39	
Miscellaneous Expenses	0.31	0.20
Total	15.72	9.59

SAVANI FINANCIALS LIMITED
CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31ST MARCH, 2023

17. Disclosure as required by IND AS -33 -Earnings Per Share-

(Rs. In lacs)

Particulars	31-03-2023	31-03-2022
Profit/(loss) after taxation, refund of income tax and before Exceptional Item	(7.36)	1.51
Profit/(loss) after taxation, refund of income tax and Exceptional Item	(7.36)	1.51
Number of Equity Shares (Face Value Rs.10/-)	40,00,000	40,00,000
Earning Per Equity Share - in Rupees - Basic and diluted (in Rs.)	(0.18)	0.04

18. Deferred tax assets/ liabilities -

The Company has unabsorbed depreciation and carried forward losses under tax laws. The Company has not recognized deferred tax assets on brought forward business losses and unabsorbed depreciation since there is no certainty that future taxable profits against which such losses can be utilized would be available.

19. Related Party Disclosures-

Names of the related parties -

Key Management Personnel -

Mrs. Deepa Tracy - Managing Director

Mr. Manish Chaudhari - Director

Mr. Praful Seth – Company Secretary (wef 10.01.2023)

The Company does not have any transactions with related parties as per IND AS - 24 'Related Party Disclosures'.

20. Fair Values-

The management assessed that Fair Values of Financial Assets and Liabilities are approximately their carrying values.

21. Financial Instruments - Accounting Classifications and Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Principles for Estimating Fair Value

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Fair Value Hierarchy-

Financial instruments carried at fair value, by valuation method at 31st March, 2022 at the different levels have been defined as follows:

Level 1:

Category includes financial assets and liabilities that are measured in whole or in significant part by reference to published quotes in an active market.

Level 2:

Category includes financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions. These include assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker quotes and assets that are valued using the Company's own valuation models whereby the material assumptions are market observable. The majority of Company's over-the-counter derivatives and several other instruments not traded in active markets fall within this category.

Level 3:

Category includes financial assets and liabilities measured using valuation techniques based on non-market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

The carrying amount of debt securities, other financial liabilities, loans, other financial assets, cash and cash equivalents as at 31st March, 2022 and 31st March, 2021 are considered to the same as fair values, due to their short-term nature. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counter party credit risk.

22. Risk management objectives and policies

A. Financial risk management

The Company's activities are exposed to a variety of market risk (including interest risk), credit risk and liquidity risk. The Company's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

i. Market Risk

Market rate is the risk that arises from changes in market prices, such as prices, interest rates etc. and will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising returns.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimise and manage the Company's interest rate risk,

iii. Liquidity Risk

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The principal liabilities of the Company arise in respect of the trade and other payables. Trade and other payables are all payable within 12 months. The Company manages liquidity risk by maintaining adequate surplus, by continuously monitoring forecasts and actual cash flows.

The Company has a system of regularly forecasting cash inflows and outflows and all liquidity requirements are planned. Forecast for trade and other payables is regularly monitored to ensure timely funding. All payments are made within due dates.

The Board receives cash flow projections on a regular basis as well as information on cash balances.

iv. Capital Risk Management

The Company manages its capital to ensure that the Company will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholder value.

v. The Company does not have any foreign currency exposures.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

(Rupees in lacs)						
Particulars	As at 31-03-2023			As at 31-03-2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
I) ASSETS						
(1) Financial Assets						
(i) Cash and Cash Equivalents	14.80	-	14.80	0.65	-	0.65
(ii) Bank balances other than (i) above	-	-	-	36.52	-	36.52
(iii) Investments	20.95	168.00	188.95	91.10	83.86	174.96
(iv) Others financial assets	1.46	6.42	7.88	2.76	3.21	5.97
	37.21	174.42	211.63	131.03	87.07	218.10
(2) Non-Financial Assets						
(i) Current-tax assets	-	1.11	1.11	-	1.13	1.13
(ii) Other non-financial assets	0.17	0.01	0.18	0.14	0.03	0.17
	0.17	1.12	1.29	0.14	1.16	1.30
TOTAL ASSETS	37.38	175.53	212.92	131.17	88.23	219.40
II) LIABILITIES AND EQUITY						
LIABILITIES						
(1) Financial Liabilities						
Payables						
i) Trade payables						
-Total outstanding dues of micro enterprises and small enterprises	0.81		0.81	-		-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1.57		1.57	1.32		1.32
ii) Other payables						
-Total outstanding dues of micro enterprises and small enterprises	-		-	-		-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	0.11		0.11	0.36		0.36
(2) Non-Financial Liabilities						
Other Non-Financial Liabilities	0.21	-	0.21	0.14	-	0.14
(3) Equity						
(a) Equity Share Capital	-	400.00	400.00	-	400.00	400.00
(b) Other Equity	-	(189.78)	(189.78)	-	(182.42)	(182.42)
Total Equity	-	210.22	210.22	-	217.58	217.58
TOTAL LIABILITIES AND EQUITY	2.70	210.22	212.92	1.82	217.58	219.40

24. Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force from 2nd October, 2006, certain disclosures are required to be made relating to such enterprises. The Company has one supplier (Previous year: None) covered under the MSMED Act. The same has been determined to the extent such parties have

been identified on the basis of information available with the company and disclosed under Note 9 :Financial Liabilities- Payables’.

Other information/ disclosures relating to payments made beyond the appointed date, interest accrued and paid and cumulative interest are not applicable being Nil (Previous Year – Rs. NA).

25. Analytical Ratios

Sr. No.	Particulars	31 st March, 2023	31 st March, 2022
(a)	Capital to risk-weighted assets ratio (CRAR)	Not applicable	Not applicable
(b)	Tier I CRAR	Not applicable	Not applicable
(c)	Tier II CRAR	Not applicable	Not applicable
(d)	Liquidity Coverage Ratio	Not applicable	Not applicable

26. Segment reporting-

The company is engaged only in the business of providing financial services and accordingly there are no separate reportable segments as per IND AS- 108 on 'Operating Segment'.

27. Relationship with struck off companies: -

During the year, the Company has not entered into any transaction with struck off companies.

28. The disclosure on the following matters required under Schedule III as amended not being relevant or applicable in case of the Company, same are not covered:

- a) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- b) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- c) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- d) The Company has not entered into any scheme of arrangement.
- e) No satisfaction of charges is pending to be filed with Registrar of companies.
- f) There are no transactions which are not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- g) The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or other kind of funds) to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The Company has not received any funds (which are material either individually or in the aggregate) from any person or entity, including foreign entity (“Funding Parties”), 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.

Signatures to the Notes to the Financial Statements form an integral part of these Financial Statements.

As per our report of even date attached
For SCA and Associates

Chartered Accountants

(Firm Regn. No. 101174W)

For and on behalf of the Board of Directors

Deepa Tracy

Managing Director

DIN 00516615

Manish Chaudhari

Director

DIN 00516641

(SHIVRATAN AGARWAL)

Partner

Mem No. 104180

Mumbai, Dated : 10th May, 2023

Praful Sheth

Co. Secretary

M. No. A6521

Mumbai, Dated : 10th May, 2023

Sejal Bisra

Chief Financial Officer

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE BALANCE SHEET AS AT 31ST DECEMBER, 2023

(Rupees)

Particulars	Note No.	As at 31st December, 2023	As at 31st March, 2023
I) ASSETS			
(1) Financial Assets			
(i) Cash and Cash Equivalents	3	10,36,319	14,79,531
(ii) Bank balances other than (i) above	X	-	-
(iii) Investments	4	1,68,00,000	1,88,95,457
(iv) Others financial assets	5	15,24,086	7,87,535
	Sub-Total	1,93,60,405	2,11,62,523
(2) Non-Financial Assets			
(i) Current-tax assets	6	1,10,914	1,10,914
(ii) Property, Plant & Equipment	7	1,93,885	-
(ii) Other non-financial assets	8	16,96,223	18,396
	Sub-Total	20,01,022	1,29,310
	TOTAL ASSETS	2,13,61,426	2,12,91,833
II) LIABILITIES AND EQUITY			
LIABILITIES			
(1) Financial Liabilities			
Payables			
i) Trade payables			
-Total outstanding dues of micro enterprises and small enterprises		43,000	81,000
-Total outstanding dues of creditors other than micro enterprises and small enterprises		19,54,652	1,57,495
ii) Other payables			
-Total outstanding dues of micro enterprises and small enterprises		-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises		77,021	10,425
(2) Non-Financial Liabilities			
Other Non-Financial Liabilities	10	2,13,407	21,207
(3) Non-Current Liabilities			
Long Term Borrowings	11	92,57,377	-
(4) Equity			
(a) Equity Share Capital	12	4,00,00,000	4,00,00,000
(b) Other Equity	13	(3,01,84,030)	(1,89,78,294)
	Total Equity	98,15,970	2,10,21,706
	TOTAL LIABILITIES AND EQUITY	2,13,61,426	2,12,91,833

Significant Accounting Policies 2
The accompanying notes form an integral part of the Financial Statements

For and on behalf of the Board of Directors

Praful Sheth Co. Secretary M. No. A6521 Mumbai, Dated:	Deepa Tracy Managing Director DIN 00516615	Suresh Mhatre Director DIN 00002853
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SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST DECEMBER, 2023

(Rupees)

Particulars	Note No.	Period ended 31st December, 2023	Year ended 31st March, 2023
I INCOME			
Revenue from Operations	14	8,84,402	11,09,610
Other Income	15	40,320	4,530
		TOTAL INCOME	11,14,140
II EXPENSES			
Finance Costs	16	2,57,377	-
Employee Benefit expenses	17	1,09,421	2,78,710
Depreciation and Amortization	18	6,976	-
Other Expenses	19	1,17,56,686	15,72,001
		TOTAL EXPENSES	18,50,711
		PROFIT/(LOSS) BEFORE TAX	(7,36,571)
III TAX EXPENSE			
Current Tax		-	-
		TOTAL TAX EXPENSE	-
		PROFIT/(LOSS) FOR THE YEAR	(7,36,571)
IV OTHER COMPREHENSIVE INCOME			
(i) Items that will not be reclassified to Profit or Loss		-	-
(ii) Items that be reclassified to Profit or Loss		-	-
		TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	-
		TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(7,36,571)
EARNINGS PER EQUITY SHARE OF FV RS.10/- EACH			
Basic and Diluted		(2.80)	(0.18)

Significant Accounting Policies

2

The accompanying notes form an integral part of the Financial Statements

For and on behalf of the Board of Directors

Praful Sheth
Co. Secretary

M. No. A6521
Mumbai, Dated:

Deepa Tracy
Managing Director

DIN 00516615

Suresh Mhatre
Director

DIN 00002853

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)
STANDALONE STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31ST DECEMBER, 2023

	Rupees Year ended 31st December, 2023	Rupees Year ended 31st March, 2023
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	(1,12,05,738)	(7,36,571)
Adjustments for :		
Depreciation and Amortization	6,976	
Other financial and non-financial assets	(24,14,378)	(1,92,898)
Other financial and non-financial liabilities	20,17,953	88,381
	<u>(3,89,448)</u>	<u>(1,04,517)</u>
	(1,15,95,186)	(8,41,088)
Less : Direct Taxes paid	-	2,476
Cash generated from operations	<u>(1,15,95,186)</u>	<u>(8,38,612)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment	(2,00,861)	-
Investment in Fixed deposits with NBFCs and Banks	-	(1,05,00,000)
Proceeds from fixed deposits held with banks	20,95,457	1,27,52,773
	<u>18,94,596</u>	<u>22,52,773</u>
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Loan from Director	92,57,377	-
	<u>92,57,377</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents	<u>(4,43,213)</u>	<u>14,14,161</u>
Cash and cash equivalents at the close of the year	10,36,319	14,79,531
Cash and cash equivalents at the beginning of the year	14,79,531	65,370
	<u>(4,43,213)</u>	<u>14,14,161</u>
	-	-

Significant accounting policies

The accompanying notes form an integral part of the Financial Statements

For and on behalf of the Board of Directors

Praful Sheth Co. Secretary M. No. A6521 Mumbai, Dated:	Deepa Tracy Managing Director DIN 00516615	Suresh Mhatre Director DIN 00002853
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SAVANI FINANCIALS LIMITED (CIN : L67120MH1983PLC031614)		
NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 2023		
Note 3		
Cash and Cash Equivalents		
	As at 31st December, 2023	As at 31st March, 2023
	<u>Rs.</u>	<u>Rs.</u>
Balances with Banks (of the nature of cash and cash equivalents);	9,84,675	14,27,890
Cash on hand	51,643	51,641
	<u>10,36,319</u>	<u>14,79,531</u>
Note 4		
Investments		
(a) Investments in Fixed Deposits with Companies		
(i) HDFC Finance Limited	1,68,00,000	1,88,95,457
	<u>1,68,00,000</u>	<u>1,88,95,457</u>
Note 5		
Other Financial Assets		
Interest accrued on Fixed Deposits with Banks and Others	15,24,086	7,87,535
	<u>15,24,086</u>	<u>7,87,535</u>
Note-6		
Current-tax assets		
Advance Income -tax	1,10,914	1,10,914
	<u>1,10,914</u>	<u>1,10,914</u>
Note-8		
Other Non-financial Assets		
Prepaid Expenses	1,07,443	18,396
Advances to Others	3,05,000	
Balance with Government authorities	12,83,780	-
	<u>16,96,223</u>	<u>18,396</u>
Note-9		
Financial liabilities		
<i>(A) total outstanding dues of micro enterprises and small enterprises</i>		
i) Trade payables		
Unbilled dues	43,000	81,000
(ii) Other payables	-	-
<i>(B) total outstanding dues of creditors other than micro enterprises and small enterprises</i>		
i) Trade payables		
Less than 1 year	19,54,652	1,57,495
(ii) Other payables	77,021	10,425
	<u>20,74,673</u>	<u>2,48,920</u>
Note-10		
Other Non-Financial Liabilities		
Statutory Dues-Withholding Taxes	2,13,407	21,207
	<u>2,13,407</u>	<u>21,207</u>
Note-11		
Non-Current Liabilities		
Loan from Director	92,57,377	-
	<u>92,57,377</u>	<u>-</u>

SAVANI FINANCIALS LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DEC, 2023

Note 7

Property, Plant & Equipment

Particulars	COMPUTERS	OFFICE EQUIPMENTS	TOTAL
(I) Gross Carrying Value			
Balance as at 1st April 2022	-	-	-
Additions during the year	-	-	-
Deductions / Adjustments during the year	-	-	-
Other Adjustments during the year	-	-	-
Balance as at 31st March 2023	-	-	-
Additions during the year	61,800	1,39,062	2,00,862
Deductions / Adjustments during the year			-
Other Adjustments during the year			-
Balance as at 31st December 2023	61,800	1,39,062	2,00,862
(II) Accumulated Depreciation			
Balance as at 1st April 2022	-	-	-
Depreciation Expense for the year	-	-	-
Deductions / Adjustments during the year	-	-	-
Balance as at 31st March 2023	-	-	-
Depreciation Expense for the year	3,005	3,971	6,976
Deductions / Adjustments during the year			-
Balance as at 31st December 2023	3,005	3,971	6,976
Net Carrying Value (I-II)			
Balance as at 31st March 2023	-	-	-
Balance as at 31st December 2023	58,795	1,35,090	1,93,885

SAVANI FINANCIALS LIMITED
(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 2023

Note-12

Share Capital

	As at 31.12.2023	As at 31.03.2023
	Rs.	Rs.
Authorised		
3,55,00,000 Equity Shares of Rs.10 each	35,50,00,000	10,00,00,000
25,00,000 Redeemable Preference Shares of Rs.10 each	2,50,00,000	2,50,00,000
	<u>38,00,00,000</u>	<u>12,50,00,000</u>
Issued, Subscribed and Fully Paid-up		
40,00,000 Equity Shares of Rs.10 each, fully paid up	4,00,00,000	4,00,00,000
	<u>4,00,00,000</u>	<u>4,00,00,000</u>
Reconciliation of Equity shares outstanding as at the end of the year;	No. of shares	No. of shares
As at the beginning of the year	40,00,000	40,00,000
Add/(Less) : Issued / (Bought back) during the period/year	-	-
As at the end of the period/year	<u>40,00,000</u>	<u>40,00,000</u>

Terms/ Rights attached to the Share Capital;

The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**Details of Shareholders holding more than 5 percent of the shares;
In respect of Equity Shares;**

	As at 31.12.2023		As at 31.03.2023	
Name of the Shareholder	No. of shares held	% of Total paid up equity capital	No. of shares held	% of Total paid up equity capital
Mrs. Deepa Tracy	22,85,976	57.15	11,86,351	29.66
Mr. Manish Chaudhari	-	-	10,99,625	27.49
Total	<u>22,85,976</u>	<u>57.15</u>	<u>22,85,976</u>	<u>57.15</u>

	As at 31.12.2023	As at 31.03.2022
	Rs.	Rs.
Note-13		
Other Equity		
Securities Premium Reserve		
Opening balance	3,32,08,100	3,32,08,100
Additions	-	-
	<u>3,32,08,100</u>	<u>3,32,08,100</u>
Special Reserve (under Section 45 - IC of the Reserve Bank of India Act, 1934).		
Opening balance	6,50,000	6,50,000
Additions	-	-
	<u>6,50,000</u>	<u>6,50,000</u>
Deficit in the Statement of Profit and Loss		
Opening balance	(5,28,36,392)	(5,20,99,823)
Profit/(Loss) for the period/ year	(1,12,05,738)	(7,36,571)
Other Comprehensive income/(loss) for the reporting period / year	-	-
Net deficit in the Statement of Profit and Loss	<u>(6,40,42,130)</u>	<u>(5,28,36,394)</u>
Total Other Equity	<u>(3,01,84,030)</u>	<u>(1,89,78,294)</u>

Notes: Nature and Purpose of Other Equity

1) Securities Premium Reserve -

Securities Premium Reserve is used to record the premium (amount received in excess of par value) on issue of shares. It can be utilised for limited purposes in accordance with the provisions of Companies Act, 2013

2) Special Reserve (Under 45-IC of the Reserve Bank of India Act, 1934) -

Special reserve fund is the fund created as per the terms of Section 45-IC of the Reserve Bank of India, 1934 as a Statutory Reserve. A Non-Banking Finance Reserve Fund is permitted only for the purposes specified by RBI. Company is required to transfer an amount of not less than twenty percent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

3) Retained Earnings-

Retained earnings represents accumulated profits / losses.

SAVANI FINANCIALS LIMITED

(CIN : L67120MH1983PLC031614)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST DECEMBER, 2023

Note-14

Revenue from Operations

	Period ended 31-12-2023 (Rs.)	Year ended 31st Mar, 2023 (Rs.)
Interest on Bank Deposits and Others	8,84,402	11,09,610
Total	<u>8,84,402</u>	<u>11,09,610</u>

Note-15

Other Income

Interest on Income-tax refund	-	4,530
Sundry income	40,320	-
Total	<u>40,320</u>	<u>4,530</u>

Note-16

Finance Costs

	2,57,377	-
	<u>2,57,377</u>	<u>-</u>

Note-17

Employee Benefit expense

	1,09,421	2,78,710
	<u>1,09,421</u>	<u>2,78,710</u>

Note-18

Depreciation, Amortization and Impairment

	6,976	-
	<u>6,976</u>	<u>-</u>

Note-19

Other Expenses

Rent	40,000	-
Rates and Taxes	2,500	2,500
Printing and stationery	15,279	-
Travelling and conveyance	66,300	10,620
Advertisement	47,448	47,250
Communication expenses	15,808	3,866
Listing and Registration Fees	3,85,768	4,67,810
Membership and Subscription	27,786	33,240
Legal & Professional Charges	82,73,725	8,79,520
Auditors' Remuneration:		
Audit fee	2,89,200	78,175
Other Services (certification fees)	47,300	17,700
	<u>3,36,500</u>	<u>95,875</u>
Miscellaneous Expenses	25,45,573	31,320
Total	<u>1,17,56,686</u>	<u>15,72,001</u>

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements and Unaudited Interim Condensed Financial Statements and included in the section “*Financial Statements*” on page 82:

Particulars	As at and for the Period of nine months ended on		As at and for the Fiscal ended	
	December 31, 2023	December 31, 2022	March 31, 2023	March 31, 2022
Basic EPS (₹)/Diluted EPS (₹)	(2.80)	(0.18)	(0.18)	0.04
Return on Net Worth* (%)	(114.16%)	(3.35%)	(3.50%)	(0.69%)
Net Asset Value per Equity Share (₹)	2.45	5.26	5.26	5.44
EBITDA (₹ in lakhs)	(109.82)	(7.10)	(7.41)	1.45

* Net Worth is fully eroded.

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

Basic EPS	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Diluted EPS	Profit after tax after exceptional items/ Weighted average number of Equity Shares as outstanding at the end of the year
Return on Net Worth (%)	Total comprehensive income for the year/ Net Worth. Net Worth here refers to the aggregate of equity and other equity as shown on the face of the Audited Financial Statements
Net Asset Value per Equity Share	Net Worth/ Number of Equity Shares outstanding as at the year end
EBITDA	EBITDA is profit before exceptional items and tax minus other income plus finance costs, depreciation and amortisation expense

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

The following discussion of our financial condition and results of operations should be read in conjunction with the "Restated Financial Statements" on page 82. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" on page 25 and 17 respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Indian GAAP, which differs in certain material respects from the accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for nine months period ended December 31, 2023, and Fiscal ended 2023, 2022 and 2021 included herein is based on the Financial Statements, included in this Letter of Offer. For further information, see "Restated Financial Statements" on page 82 of this Letter of Offer.

OVERVIEW OF OUR BUSINESS

We are a Non Deposit taking Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFC activities under Section 451A of the Reserve Bank of India Act, 1934 bearing Registration no. B-13.01071 dated October 27, 1998. As the Company has been granted NBFC License by RBI, the Company's business model will be centred on Loan activities i.e. granting of loans to body corporates and individuals. We have not conducted any significant lending business so far. We do not have any subsidiary company. We work under the guidance of our Chairman and Managing Director, Deepa Kishor Tracy, has experience in management of the Company. She, along with Board and committees, will be organising appropriate team to conduct the affairs of the Company.

Our standalone revenues from operations nine months period on ended on December 31, 2023 is 8.84 Lakhs and for Fiscals 2023, 2022 and 2021 were ₹ 11.10 lakhs, ₹ 11.34 lakhs and ₹ 12.68 lakhs respectively. Our standalone EBITDA for nine months period ended December 31, 2023 is (109.82) lakhs and Fiscal ended 2023, 2022 and 2021 is ₹ (7.41) lakhs, ₹ 1.45 lakhs and ₹ 4.47 lakhs, respectively. Our standalone profit after tax for nine months period on ended on December 31, 2023 is (112.06) and Fiscal ended 2023, 2022 and 2021 is ₹ (7.36) lakhs, ₹ 1.51 lakhs and ₹ 4.55 lakhs respectively.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "**Risk Factors**" on page 25 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- General economic and business conditions in the markets in which we operate and in the local, Regional, National and International economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government(s) could adversely affect economic conditions in India and consequently our business may get affected to some extent.
- Our business and financial performance is particularly based on market demand and supply of our services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian National, State and Local Governments;
- Any downgrading of India's debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 82.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter “*Financial Information*” on page 82, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

The Auditor has not given any reservation, qualification and adverse remarks on the financial statements of the Company. For details, see section titled “*Financial Information*” on page 82 of this Letter of Offer

RESULTS OF OPERATIONS

The following table sets out selected data from the Audited Financial Statement for the Nine Months Period ended December 31, 2023 and Fiscal ended 2023, 2022 and 2021 together with the percentage that each line item represents of our total revenue for the periods presented.

Particular	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
INCOME				
Revenue from Operations	8.84	11.10	11.34	12.68
Other Income	0.40	0.05	0.06	0.08
Total Income (A)	9.24	11.15	11.40	12.76
EXPENDITURE				
Employee benefit expenses	1.09	2.79	0.30	-
Finance costs	2.57	-	-	-
Depreciation and Amortization	0.07	-	-	-
Legal & Professional Expenses	82.74	8.80	2.28	2.07
Printing and Stationary	0.15	-	0.64	0.06
Communication Expenses	0.16	0.04	0.45	0.05
Travelling and Conveyance	0.66	0.11	-	0.08
Advertisement	0.47	0.47	0.54	0.45
Membership and Subscription	0.28	0.33	0.44	0.21
Other Expenses	33.10	5.98	5.23	5.29
Total Expense (B)	121.30	18.51	9.89	8.21
Profit Before Exceptional Items	(112.06)	(7.36)	1.51	4.55
Exceptional Items	-	-	-	-
Profit Before Tax	(112.06)	(7.36)	1.51	4.55
Tax expense :				
(i) Current tax	-	-	-	-
(ii) Deferred tax	-	-	-	-
(iii) MAT Credit Entitlement Written off / Utilised	-	-	-	-
Prior Tax Adjustment	-	-	-	-
Total Tax Expense	-	-	-	-
Profit from Discontinued operations	-	-	-	-
Profit for the year	(112.06)	(7.36)	1.51	4.55
Other Comprehensive Income				
a) Re-measurement gains/ (losses) on defined benefit plans	-	-	-	-
b) Effect of measuring Equity Instruments on Fair Value	-	-	-	-

Particular	December 31, 2023	March 31, 2023	March 31, 2022	March 31, 2021
c) Income Tax on (a) and (b)	-	-	-	-
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	(112.06)	(7.36)	1.51	4.55

Comparison of Historical Results of Operations

NINE MONTHS PERIOD ENDED DECEMBER 31, 2023 COMPARED TO NINE MONTHS PERIOD ENDED DECEMBER 31, 2022

Total Income

Our Total Income for the nine months period ended December 31, 2023 was ₹ 9.24 Lakhs as compared to ₹ 9.04 Lakhs for the nine months period ended December 31, 2022, representing an increase of 2.25%.

Total revenue comprises of:

Revenue from Operations

The Revenue from Operations for the nine months period ended December 31, 2023 was ₹ 8.84 Lakhs as compared to ₹ 8.99 Lakhs for the nine months period ended December 31, 2022, representing an decrease of 1.68%.

Other Income

The other income for the nine months period ended December 31, 2023 was ₹ 0.40 Lakhs as compared to 0.05 for the nine months period ended December 31, 2022, representing an increase of 783 %.

Total Expenses

Our Total Expenses for the nine months period ended December 31, 2023 was ₹ 121.30 Lakhs as compared to ₹ 16.09 Lakhs for the nine months period ended December 31, 2022, representing an increase of 653.88%.

Total expenditure comprises of:

Employee Benefits Expense:

Our Employee Benefits Expense for the nine months period ended December 31, 2023 was 1.09 as compared to ₹ 2.70 Lakhs for the nine months period ended December 31, 2022, representing a decrease of 59.63 %.

Finance Cost

Finance Cost for the nine months period ended December 31, 2023 was ₹ 2.57 Lakhs as compared to NIL for nine months period ended December 31, 2022, representing an increase of 100.00%.

Depreciation and Amortisation Cost

Depreciation and Amortisation Cost for the nine months period ended December 31, 2023 was ₹ 0.07 Lakhs as compared to NIL for nine months period ended December 31, 2022, representing an increase of 100.00%.

Other Expenses:**Legal and Professional Expenses**

Legal and Professional Expenses for the nine months period ended December 31, 2023 was ₹ 82.74 Lakhs as compared to ₹ 8.10 Lakhs for the nine months period ended December 31, 2022, representing an increase of 921.48%.

Printing and Stationary

Printing and Stationary for the nine months period ended December 31, 2023 was ₹ 0.15 Lakhs as compared to NIL for the nine months period ended December 31, 2022, representing an increase of 100.00%.

Communication Expenses

Our Communication Expenses for the nine months period ended December 31, 2023 was ₹ 0.16 Lakhs as compared to ₹ 0.02 Lakhs for the nine months period ended December 31, 2022, representing an increase of 700.00%.

Travelling and Conveyance Expenses

Our Travelling and Conveyance Expenses for the nine months period ended December 31, 2023 was ₹ 0.66 Lakhs as compared to ₹ 0.03 Lakhs for the nine months period ended December 31, 2022, representing an increase of 2100.00%.

Advertisement Expenses

Our Advertisement Expenses for the nine months period ended December 31, 2023 was ₹ 0.47 Lakhs as compared to ₹ 0.37 Lakhs for the nine months period ended December 31, 2022, representing an increase of 27.03%.

Membership and Subscription Expenses

Our Membership and Subscription Expenses for the nine months period ended December 31, 2023 was ₹ 0.28 Lakhs as compared to ₹ 0.25 Lakhs for the nine months period ended December 31, 2022, representing an increase of 12.00%.

Other expenses

Our Other Expenses for the nine months period ended December 31, 2023 was ₹ 33.10 Lakhs as compared to ₹ 4.62 Lakhs for the nine months period ended December 31, 2022, representing an increase of 616.45%.

Profit/Loss before Tax

The profit/(loss) before tax for the nine months period ended December 31, 2023 was ₹ (112.06) Lakhs as compared to ₹ (7.05) Lakhs for the nine months period ended December 31, 2022, representing an decrease of 1,489.50%.

FISCAL 2023 COMPARED TO FISCAL 2022**Total Income**

Our Total Income for Fiscal 2023 was ₹ 11.15 lakhs as compared to ₹ 11.40 lakhs for the Fiscal 2022, representing an decrease of 2.19%.

Total Income comprises of

Revenue from operations from interest income:

Our Revenue from Operations for the Fiscal 2023 was ₹ 11.10 lakhs as compared to ₹ 11.34 lakhs for the Fiscal 2022, representing a decrease of 2.12%.

Other income:

Our other income for the Fiscal 2023 was ₹ 0.05 lakhs as compared to ₹ 0.06 lakhs for the Fiscal 2022, representing a decrease of 16.67%.

Total Expenditure comprises of

Expenditure:

Our Total Expenditure for the Fiscal 2023 was ₹ 18.51 lakhs as compared to ₹ 9.89 lakhs for the Fiscal 2022, representing an increase of 87.16%.

Employee Benefits Expense:

Our Employee Benefit Expenses for the Fiscal 2023 was ₹ 2.79 lakhs as compared to ₹ 0.30 lakhs for the Fiscal 2022, representing an increase of 830.00%.

Other Expenses:

Legal and Professional Expenses

Legal and Professional Expenses increased to ₹ 8.80 lakhs as compared to ₹ 2.28 lakhs for the Fiscal 2022, representing an increase of 285.96%.

Printing and Stationary

Printing and Stationary decreased by 100%, from 0.64 lakhs in the Fiscal 2023 as compared to NIL for the Fiscal 2022.

Communication Expenses

Our Communication Expenses for the Fiscal 2023 was ₹ 0.04 lakhs as compared to ₹ 0.45 lakhs for the Fiscal 2022, representing a decrease of 91.11%.

Travelling and Conveyance Expenses

Our Travelling and Conveyance Expenses for the Fiscal 2023 was ₹ 0.11 lakhs as compared to NIL for the Fiscal 2022, representing an increase of 100.00%.

Advertisement Expenses

Our Advertisement Expenses for the Fiscal 2023 was ₹ 0.47 lakhs as compared to ₹ 0.54 lakhs for the Fiscal 2022, representing a decrease of 12.96%.

Membership and Subscription Expenses

Our Membership and Subscription Expenses for the Fiscal 2023 was ₹ 0.33 lakhs as compared to ₹ 0.44 lakhs for the Fiscal 2022, representing an decrease of 25.00%.

Other expenses

Our Other Expenses for the Fiscal 2023 was ₹ 5.98 lakhs as compared to ₹ 5.23 lakhs for the Fiscal 2022, representing an increase of 14.34%.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2023 was ₹ (7.36) lakhs as compared to ₹ 1.51 lakhs for the Fiscal 2022, representing a decrease of 587.42%.

FISCAL 2022 COMPARED TO FISCAL 2021**Total Income**

Our Total Income for Fiscal 2022 was ₹ 11.40 lakhs as compared to ₹ 12.76 lakhs for the Fiscal 2021, representing a decrease of 10.66%.

Total revenue comprises of**Revenue from operations from interest income:**

Our Revenue from Operations for the Fiscal 2022 was ₹ 11.34 lakhs as compared to ₹ 12.68 lakhs for the Fiscal 2021, representing an decrease of 10.57%.

Other income:

Our other income for the Fiscal 2022 was ₹ 0.06 lakhs as compared to ₹ 0.08 lakhs for the Fiscal 2021, representing an decrease of 25.00%.

Total Expenditure comprises of**Expenditure:**

Our Total Expenditure for the Fiscal 2022 was ₹ 9.89 lakhs as compared to ₹ 8.21 lakhs for the Fiscal 2021, representing an increase of 20.46%.

Employee Benefits Expense:

Our Employee Benefit Expenses for the Fiscal 2022 was ₹ 0.30 lakhs as compared to NIL of the Fiscal 2021, representing an increase of 100.00%.

Other Expenses:**Legal and Professional Expenses**

Legal and Professional Expenses increased for the Fiscal 2022 to ₹ 2.28 lakhs as compared to ₹ 2.07 lakhs for the Fiscal 2021, representing an increase of 10.14%.

Printing and Stationary

Printing and Stationary increased for the Fiscal 2022 to ₹ 0.64 lakhs as compared to ₹ 0.06 lakhs for the Fiscal 2021, representing an increase of 966.67%.

Communication Expenses

Our Communication Expenses for the Fiscal 2022 was ₹ 0.45 lakhs as compared to ₹ 0.05 lakhs for the Fiscal 2021, representing an increase of 800.00%.

Travelling and Conveyance Expenses

Our Travelling and Conveyance Expenses for the Fiscal 2022 was NIL as compared to ₹ 0.08 lakhs for the Fiscal 2021, representing a decrease of 100.00%.

Advertisement Expenses

Our Advertisement Expenses for the Fiscal 2022 was ₹ 0.54 lakhs as compared to ₹ 0.45 lakhs for the Fiscal 2021, representing an increase of 20.00%.

Membership and Subscription Expenses

Our Membership and Subscription Expenses for the Fiscal 2022 was ₹ 0.44 lakhs as compared to ₹ 0.21 lakhs for the Fiscal 2021, representing an increase of 109.52 %.

Other expenses

Our Other Expenses for the Fiscal 2022 was ₹ 5.23 lakhs as compared to ₹ 5.29 lakhs for the Fiscal 2021, representing an decrease of 1.13%.

Profit/Loss before Tax

The profit/(loss) before tax for the Fiscal 2022 was ₹ 1.51 lakhs as compared to ₹ 4.55 lakhs for the Fiscal 2021, representing a decrease of 66.81%.

CASH FLOWS

The following table sets forth certain information relating to our cash flows with respect to operating activities, investing activities and financing activities for the periods indicated:

Particulars	<i>(Rs in lakhs)</i>			
	As on December 31, 2023	Fiscal 2023	Fiscal 2022	Fiscal 2021
Net (loss) / profit before tax	(112.06)	(7.36)	1.51	4.55
Net cash from/ (used in) operating activities	(115.95)	(8.38)	4.06	5.07
Net cash from/ (used in) investing activities	18.94	22.53	(11.48)	(5.49)
Net cash from financing activities	92.57	Nil	Nil	Nil
Net increase/ (decrease) in cash and cash equivalents	-4.44	14.15	(7.42)	(0.42)
Cash and cash equivalents at the beginning of the year/period	14.80	0.65	8.07	8.49
Cash and cash equivalents at year/period end	10.36	14.80	0.65	8.07

Operating activities

Operating activities comprise of profit/(loss) for the year before interest, depreciation and finance charges, changes in working capital and further adjustment of non-cash items.

Net cash used in operating activities for the nine months period ended December 31, 2023 was ₹ (115.95) lakhs as compared to the Net Loss before tax of ₹ (112.06) lakhs for the same period.

Net cash used in operating activities for the period ended March 31, 2023 was ₹ (8.38) lakhs as compared to the Net Loss before tax of ₹ (7.36) lakhs for the same period.

Net cash generated from operating activities for the period ended March 31, 2022 was ₹ 4.06 lakhs as compared to the Net Profit before tax of ₹ 1.51 lakhs for the same period.

Net cash generated from operating activities for the period ended March 31, 2021 was ₹ 5.07 Lakhs as compared to the Net Profit before tax of ₹ 4.55 Lakhs for the same period.

Investing activities

Net cash generated from investing activities for nine months period ended December 31, 2023 was ₹ 18.94 Lakhs.

Net cash generated from investing activities for period ended March 31, 2023 was ₹ 22.53 Lakhs.

Net cash used in investing activities for period ended March 31, 2022 was ₹ (11.48) Lakhs.

Net cash used in investing activities for period ended March 31, 2021 was ₹ (5.49) Lakhs.

Financing activities

Net cash generated from the financing Activity for nine months period ended December 31, 2023 was 92.57 Lakhs and that for Fiscal 2023, 2022 and 2021 were NIL each year respectively

Contingent Liabilities

The Company does not have any contingent liabilities or other commitments as on the balance sheet date.

Off-Balance Sheet Arrangements

We do not have any other off-balance sheet arrangements or other relationships with unconsolidated entities, such as special purpose vehicles, that have been established for the purposes of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in the market prices, including interest rate risk, foreign exchange risk, credit risk and inflation risk. Our principal market risks are equity price risk, foreign exchange risk, interest rate risk and credit risk.

Total Debt

For details of our borrowings, please see section titled "*Financial Information*" on page 82 of this Letter of Offer.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

Other than as described in the section titled "*Risk Factors*" and chapter titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on pages 25 and 127 respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

Unusual or Infrequent Events or Transactions

Except as described elsewhere in this Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

Significant economic/regulatory changes

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company's operations or are likely to affect income except as mentioned in the section titled "**Risk Factors**" on page 25.

Except as disclosed in this Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known Other than as described in the section titled "**Risk Factors**" and chapter titled "**Management's Discussion and Analysis of Financial Conditions and Results of Operations**" on pages 25 and 127, respectively, and elsewhere in this Letter of Offer, there are no known factors to our knowledge which would have a material.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, mostly arising in the ordinary course of our business. Except as disclosed below there are no outstanding litigation involving our Company with respect to (i) issues of moral turpitude or criminal liability on the part of our Company, (ii) material violations of statutory regulations by our Company, (iii) any matters which if they result in an adverse outcome would materially and adversely affect operations or financial position of our Company.

For the purpose of point (iii) above, the Company has in its Rights Issue Oversight Committee meeting held on December 5, 2023, approved a materiality policy ("**Materiality Policy**") for the purpose of disclosure of litigations in this Letter of Offer. As per the said policy the materiality threshold shall be 5% of profit after tax generated in the Financial Year 2022-23. ("**Materiality Threshold**").

A. LITIGATIONS INVOLVING OUR COMPANY

I. Litigations filed against our Company

a) Criminal Proceedings

Nil

b) Actions by Regulatory or Statutory Authorities

Nil

c) Other proceedings against 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

d) Tax Proceedings

The following tax proceedings are pending against the Company:

Particulars	No. of cases	Amount involved (In ₹)
Direct Tax	1	1,950
Indirect Tax	Nil	Nil
Total	1	1,950

II. Litigations filed by our Company

a) Criminal Proceedings

Nil

b) Other proceedings by 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

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any governmental and regulatory authorities in relation to the objects of this Issue. For further details, please refer to "*Objects of the Issue*" on page 49 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held September 30, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

The Rights Issue Oversight Committee has, at its meeting held on March 22, 2024 determined the Issue Price of ₹17.5 per Rights Equity Share (including a premium of ₹7.50 per Rights Equity Share), and the Rights Entitlement as 7 (seven) Rights Equity Share for every 1 (one) fully paid up Equity Shares held on the Record Date.

On Application, Investors will have to pay ₹14.00 per Rights Equity Share, which constitutes 80% of the Issue Price and the balance ₹3.50 per Rights Equity Share which constitutes 20% of the Issue Price, will have to be paid, on one or more subsequent Call(s) as determined by our Board / Rights Issue Oversight Committee at its sole discretion, from time to time.

Our Company has received 'in-principle' approval for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter bearing reference number LOD/RIGHT/TT/FIP/1428/2023-24 dated March 15, 2024 issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make application to BSE to obtain their trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE304E20010 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. Our Company has been allotted ISIN IN9304E01018 from both NSDL and CDSL for partly paid-up. For details, see "*Terms of the Issue*" on page 145 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Our Company and certain Promoters have been penalized by SEBI for violations of provisions of SEBI Listing Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015 in the last 5 years. The penalties have been paid and there are no outstanding SEBI actions against our Company or our Promoters and members of our Promoter Group as on the date of this Letter of Offer. For details, see chapter titled "*Outstanding Litigations and Default*" on page 136 of this Letter of Offer.

Further, our Promoters and our Directors are not promoters or directors of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018.

Association of our Directors with the securities markets

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company nor our Promoters and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Eligibility for the Issue

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

Applicability of the SEBI ICDR Regulations

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

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

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

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with SEBI & Stock Exchange;
2. The reports, statements and information referred to above are available on the website of BSE; and
3. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Disclaimer Clause of SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹5,000 LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISIO TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company

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

Investors who invest in this Issue will be deemed to have represented to our Company, and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules,

regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/evaluation as to their ability and quantum of investment in the Issue.

Cautions

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Letter of Offer is current only as at its date.

Disclaimer in respect of Jurisdiction

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

Disclaimer Clause of BSE

As required, a copy of the Letter of Offer has been submitted to BSE. The disclaimer clause, as intimated by BSE to us, post scrutiny of the Letter of Offer will be inserted, prior to filing of the Letter of Offer with the Stock Exchange.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE.

Selling Restrictions

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

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

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

Investors can also access the Issue Materials from the websites of the Registrar, our Company and the Stock Exchange.

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of the Issue Materials.

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

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

Neither the delivery of the Issue Materials 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 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 ISSUE OF RIGHTS 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 ISSUE OF RIGHTS 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"), 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 ISSUE MATERIALS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Accordingly, the Draft Letter of Offer, this Letter of Offer, Abridged Letter of Offer, Rights 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 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 and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India.

Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Materials will be dispatched only to Eligible Equity Shareholders who have an address in India. 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.

We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) 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 authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) 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 Rights Equity Shares in respect of any such Application Form.

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

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

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

Any representation to the contrary is a criminal offence in the United States.

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

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

Filing

This Letter of Offer has been filed with BSE for seeking its in-principle approval for the proposed Issue in terms of SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, our Company shall file a copy of the Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required.

Bigshare Services Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

Investor Grievances arising out of this Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” on page 145 of this Letter of Offer.

Investors may contact the Registrar to the Issue at:

Bigshare Services Private Limited

Office No S6-2, 6th Floor

Pinnacle Business Park

Next to Ahura Centre, Mahakali Caves Road

Andheri (East), Mumbai, Maharashtra, 400093

Telephone: 022 - 6263 8200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

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

Praful Sheth, is the Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Praful Sheth

602, Samarth Vaibhav CHS Limited

Off – Link Road, Lokhandwala Complex

Andheri (West), Mumbai

Maharashtra, India, 400053

Telephone: +91 98209 04374

E- mail: info@savanifinancials.co.in

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in the Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA.

Investors are requested to note that Application in this Issue can only be made through ASBA. Please note that in accordance with the provisions of the SEBI Rights Issue Circular all investors (including Renouncee) shall make an application for a rights issue only through ASBA facility.

Overview

This Issue and the Right Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment Advice or security certificate and rules as may be applicable and introduced from time to time

1. Dispatch and availability of Issue materials

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

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. . 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 Rights Equity Shares under applicable securities laws) on the websites of:

- our Company at <https://savanifinancials.co.in/>;
- the Registrar to the Issue at <https://www.bigshareonline.com/>; and
- the Stock Exchange at <https://www.bseindia.com/>.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. <https://www.bigshareonline.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form).The link for the same shall also be available on the website of our Company (i.e. <https://savanifinancials.co.in/>).

Shareholders who have not received the Application Form may apply, along with the requisite Application Money, by using the Application Form available on the websites above, or on plain paper,

with the same details as mentioned in the Application Form available online.

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. However, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail address of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit. Resident Eligible Equity Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

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

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 Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without the requirement for our Company or our affiliates to make any filing or registration (other than in India).

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please refer to paragraph titled "***Procedure for Application through the ASBA process***" on page 158 of this Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of

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

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

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN, or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see "*Terms of the Issue – Grounds for Technical Rejection*" on page 169 of this Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected. Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. For details, see "*Terms of the Issue – Applications on Plain Paper under ASBA process*" on page 161 of this Letter of Offer.

3. Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialized form; and (ii) a demat suspense escrow account (namely, "M/S SAVANI FINANCIALS LIMITED UNCLAIMED SECURITIES SUSPENSE ACCOUNT") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) the demat accounts of the Eligible Equity Shareholders which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI Listing Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (b) Equity Shares held in the account of IEPF authority; or (c) Equity held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional Equity Shareholders in the United States.

In this regard, our Company has made necessary arrangements with CDSL and NSDL for crediting the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE304E20010. The ISIN for the Rights Entitlements shall remain frozen (for debit) until the Issue Opening Date.

The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date. Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. April 4, 2024, are requested to provide relevant details (such as copies of self-attested PAN, bank detail, mobile number, email id and nominee detail using ISR-1, SH-13 (which can be downloaded from Registrar's website i.e. www.bigshareonline.com) and ISR-2 (if signature does not match with our record) and client master sheet of demat account etc., details / records confirming the legal and beneficial ownership of their respective Equity Shares) to our Registrar not later than 2 (two) Working Days prior to the Issue Closing Date, i.e., by May 10, 2024, to enable the credit of their Rights Entitlements by way of transfer from demat suspense escrow account to their demat account at least 1 (one) day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (two) Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

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

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, *PER SE*, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 145 OF THIS LETTER OF OFFER.

Other important links and helpline:

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

- a) Frequently asked questions are available on the website of the Registrar (www.bigshareonline.com) or call helpline numbers (022 - 6263 8200) for online / electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors:
- b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: www.bigshareonline.com
- c) Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible

Shareholders: www.bigshareonline.com

Renounees

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to this Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

Authority for the Issue

The Board of Directors in its meeting dated September 1, 2023, have authorized this Issue under Section 62(1)(a) of the Companies Act, 2013.

The Rights Issue Oversight Committee in their meeting held on March 22, 2024 have determined the Issue Price at ₹17.50 per Equity Share. Further the Rights Issue Oversight Committee in their meeting held on March 22, 2024 has determined the Rights Entitlement as 7 Rights Equity Share(s) for every 1 fully paid-up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant its letter dated March 15, 2024. Our Company will also make application to BSE to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN INE304E20010 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, i.e., April 4, 2024.

Rights Entitlements (ISIN: INE304E20010)

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Eligible Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., April 4, 2024, are entitled to subscribe to the number of Rights Equity 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 Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e., www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company i.e., <https://savanifinancials.co.in>.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (two) Working Days prior to 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 1 (one) day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar i.e., www.bigshareonline.com. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective

demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form and other issue material only to the Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see “Notice to Investors” on page 12 of this Letter of Offer.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10/-.

Issue Price

The Rights Equity Share is being offered at a price of ₹17.50/- (Rupees seventeen and fifty paise only) per Rights Equity Share including a premium of ₹7.50/- (Rupees seven and fifty paise only) per Rights Share).

On Application, Investors will have to pay ₹14.00 (Rupees fourteen only) per Rights Share which constitutes 80% (Eighty percent) of the Issue Price, and the balance ₹3.50 (Rupees three and fifty paise only) per Rights Share which constitutes 20% (Twenty percent) of the Issue Price, will have to be paid, on one more additional calls as may be decided by the Board / Rights Issue Oversight Committee of the Board from time to time.

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

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 7 (seven) Rights Equity Share(s) for every 1 (one) Equity Share(s) held by the Eligible Equity Shareholders as on the Record Date i.e., April 4, 2024.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchange for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the Call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of our Board to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchange. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is situated), all with wide circulation.

The Call shall be deemed to have been made at the time when the resolution authorizing such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of our Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it

does not receive the Call Money as per the timelines stipulated, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in calls for partly paid specified securities issued by the listed entity, the Investor may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call Monies, in the Investors ASBA Account. The Investor may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Rights of instrument holder

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company, once fully paid-up.

Renunciation of Rights Entitlements

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

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

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through Off-market transfer. For details, see "***Procedure for Renunciation of Rights Entitlements***" on page 160 of this Letter of Offer.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least 2 (two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchange under Rights Entitlement ISIN INE304E20010. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. Investors shall be able to trade/ transfer 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 Stock Exchange on T+1 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on a trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from i.e., from May 2, 2024 to May 7, 2024 (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 Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see "*Terms of the Issue - Procedure for Renunciation of Rights Entitlements – On Market Renunciation*" and "*Terms of the Issue – Procedure for Renunciation of Rights Entitlements – Off Market Renunciation*" on page 160 and 160 of this Letter of Offer. Once the Rights Entitlements are credited to the demat account of the Renounees, application in the Issue could be made until the Issue Closing Date. For details, see "*Procedure for Application*" on page 156 of this Letter of Offer.

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.

Terms of Payment

The Issue Price of ₹17.50 per Rights Equity Share (including premium of ₹ per Rights Equity Share) shall be payable as follows:

Amount payable per Equity Share ⁽¹⁾	Face Value (₹)	Premium (₹)	Total (₹)
On Application	8.00	6.00	14.00 ⁽²⁾
One or more subsequent Call(s) as determined by our Board / Rights Issue Oversight Committee at its sole discretion, from time to time	2.00	1.50	3.50 ⁽³⁾
Total	10.00	7.50	17.50

⁽¹⁾ For further details on Payment Schedule, see "*Terms of the Issue*" on page 145.

⁽²⁾ Constitutes 80% of the Issue Price

⁽³⁾ Constitutes 20% of the Issue Price

Rights Equity Shares in respect of which the Call payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. If 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.

Fractional Entitlements

Eligible Equity Shareholders in the ratio 7 (Seven) Rights Equity Share for every 1 (One) Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement. Since, Eligible Equity Shareholder will hold Equity Share(s) in the multiple of 1, there will be no fractional entitlements of Equity Shares in the proposed right issue.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the 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 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 Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends, once fully paid-up.

Mode of payment of dividend

In the event of a declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the Issue Opening Date. On the Issue Closing Date the depositories will suspend the ISIN of Rights Entitlements for transfer and once the allotment is done post the Basis of Allotment approved by the Designated Stock Exchange, the separate ISIN INE304E20010 for Rights Entitlements so obtained will be permanently deactivated from the depository system.

The Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated March 15, 2024. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE304E01010 on BSE (Scrip Code: 511577). Upon receipt of listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will within four days of receipt of intimation from the Stock Exchange, forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid within four days, then our Company and every Director who is an officer in default shall, on and from such expiry of four days, be liable to repay the money, with interest as applicable.

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.

Subscription to the Issue by our Promoters and Promoter Group

For details of the intent and extent of the subscription by our Promoters and Promoter Group, please refer to "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 47 of this Letter of Offer

Compliance with SEBI ICDR Regulations

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Rights Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialized mode is 1 (one) Equity Share.

Joint Holders

Where 2 (Two) or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. In case of Equity Shares held by joint holders, the Application Forms 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 valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform his/her respective Depository Participant.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence, no arrangements for disposal of odd lots are required.

New Financial Instruments

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019 and as amended vide SEBI Notification bearing No. SEBI/LADNRO/GN/2022/66 on January 24, 2022, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository. Provided further that transmission or transposition of securities held in physical or dematerialized form shall be effected only in dematerialized form.

Notices

In accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, 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 Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. However, our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English language national daily newspaper with wide circulation; (ii) one Hindi language national daily newspaper with wide circulation; and (iii) one Marathi language daily newspaper with wide circulation (Marathi being the regional language of Maharashtra where our Registered Office is situated). The Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Common Application Form shall also be submitted with the Stock Exchange for making the same available on its website.

Offer to Non-Resident Eligible Equity Shareholders/Investors:

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended from time to time issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on ajitP.rightsissue@linkintime.co.in or physically/postal means at the address of the Registrar Link Intime India Private Limited. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Common Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity 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. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Common Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to their patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003, issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 165 of this Letter of Offer.

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

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent/ dispatched to the Eligible Shareholders only to:

- E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;
- Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company, or the Eligible Shareholders have not provided the valid email address to our Company;
- Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and
- E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date. The Renounees and Eligible Equity Shareholders who have not received the Application Form can download the

same from the website of the Registrar, our Company, or Stock Exchange.

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 Equity 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.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means. However, our Company, and the Registrar shall not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that our Company shall not be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

To update the respective email address/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com. Investors can also access the Draft Letter of Offer, this Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- our Company at <https://savanifinancials.co.in/>;
- the Registrar to the Issue at <https://www.bigshareonline.com/>; and
- the Stock Exchange at <https://www.bseindia.com/>.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. <https://www.bigshareonline.com/>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., <https://savanifinancials.co.in/>). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue, based on the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date, after which they can apply through ASBA facility.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Prior to making an Application, such Investors should enable the internet banking of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein 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.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN

number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details, please refer to "**Grounds for Technical Rejection**" on page 169 of this Letter of Offer. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, please refer to "**Application on Plain Paper under ASBA process**" on page 161 of this Letter of Offer.

Options available to the Eligible Equity Shareholders

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

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) (apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for 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 authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer to the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

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

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

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date for Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "***Application on Plain Paper under ASBA process***" on page 161 of this Letter of Offer.

Additional Rights Equity Shares

Shareholders are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered and allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section titled "***Terms of the Issue***" on page 145 of this Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares.

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

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 Equity Shares while submitting the Application through ASBA process.

Applications by Overseas Corporate Bodies

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("***OCBs***"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

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.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stockbroker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE304E20010 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (One) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., May 2, 2024 to May 7, 2024 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stockbrokers by quoting the ISIN INE304E20010 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialized form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat

account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE304E20010, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

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

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Applications on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the websites of the Registrar, Stock Exchange. 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.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application. If an Eligible Equity Shareholder makes an Application both in an Application Form as well as on plain paper, both applications are liable to be rejected.

Please note that in terms of Regulation 78 of the SEBI ICDR Regulations, the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

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

- Name of our Company, being Savani Financials Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for within the Rights Entitlements;
- Number of Additional Rights Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);

- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹14.00 per Rights Equity Share at time of application;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- An approval obtained from any regulatory authority, if required, shall be obtained by the Eligible Equity Shareholders and a copy of such approval from any regulatory authority, as may be required, shall be sent to the Registrar at <https://www.bigshareonline.com/>; and

Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereto ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act" ("Regulation S"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirement of the Regulation S. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold only in offshore transaction outside the United States in compliance with Regulation S to existing shareholders who are located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under the laws of such jurisdictions. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not (a) in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction"

"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which I/we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdictions of residence.

*I/we hereby make the representations, warranties, acknowledgments and agreements set forth in "**Restrictions on Foreign Ownership of Indian Securities**" on page 180 of this Letter of Offer*

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act to a person outside the United States.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.bigshareonline.com/>. Our Company, and the Registrar shall not be responsible if the Applications are not uploaded by SCSB, or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is May 10, 2024, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application together with the amount payable is either (i) not blocked with an SCSB; (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof; or (iii) not uploaded with Stock Exchange, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "***Terms of the Issue - Basis of Allotment***" on page 172 of this Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange. 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.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance

amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

Mode of payment for Resident Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018, as amended from time to time issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Right Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment Advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or 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 does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.
- In case of an Application Form received from the 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. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursement, if any shall be credited to such account.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 (Two) Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

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

1. The Eligible Equity Shareholders shall send form ISR-1, SH-13 (which can be download from website i.e., <https://www.bigshareonline.com/>) and ISR-2 (if signature does not matched with RTA record) the Registrar either by email (with digital sign), post, speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 (Two) Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 (One) day before the Issue Closing Date; and
3. The remaining procedure for Application shall be same as set out in "**Application on Plain Paper under ASBA process**" on page 161 of this Letter of Offer.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

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

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS" ON PAGE 173 OF THIS LETTER OF OFFER.

General instructions for Investors

- a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) Please read the instructions on the Application Form sent to you.
- c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- d) Application should be made only through the ASBA facility.
- e) 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.
- f) 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 process*" on page 161 of this Letter of Offer.
- g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- h) 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.
- i) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.
- j) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- k) 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.
- l) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

- m) 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 Application Money will not be refunded, and no interest will be paid thereon.
- n) 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.
- o) 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.
- p) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the Date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- q) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- t) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

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

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs

for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

- c) By signing the Application Forms, 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.
- d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- f) Do not submit the General Index Registrar (GIR) number instead of the PAN as the application is liable to be rejected on this ground.
- g) Avoid applying on the Issue Closing Date due to risk of delay / restrictions in making any physical Application.
- h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- i) Do not submit multiple Applications.
- j) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

Do's:

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account
- (b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs, and details of the

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

Don'ts for Investors applying through ASBA:

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- e) Do not submit Application Form using third party ASBA account.

Grounds for Technical Rejection

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

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.

- m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- p) Applications which: (i) appears to the Registrar, our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- r) Application from Investors that are residing in U.S. address as per the depository records (other than persons in the United States who are U.S. QIBs and QPs).
- s) We, the Registrar, or any other person acting on behalf of us, reserve the right to treat invalid any Application Form which: (i) 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 Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than in reliance with Reg S); (iii) where a registered Indian address is not provided; or (iv) 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 Rights Equity Shares in respect of any such Application Form.
- t) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- u) Applicants holding physical shares not submitting the documents.
- v) Application from investors who do not hold Rights Entitlement (REs) as on issue closing date in the demat account from which application is submitted.
- w) Application from Resident of countries which shares the border of India which is not having documentary evidence of approval from Ministry of Home Affairs.
- x) Applications supported by amounts blocked from a third-party bank account.
- y) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar/Depositories.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE 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 Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors, and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Rights Equity Shares with/without using Additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Investment by Mutual Funds*" on page 177 of this Letter of Offer.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 47 of this Letter of Offer.

Underwriting

The Issue is not underwritten.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post the Issue Closing Date.

Issue schedule

Last Date for Credit of Rights Entitlements	April 30, 2024
Issue Opening Date	May 2, 2024
Last Date for On Market Renunciation of the Rights Entitlements*	May 7, 2024
Issue Closing Date	May 10, 2024
Finalisation of Basis of Allotment (on or about)	May 17, 2024

Date of Allotment (on or about)	May 18, 2024
Date of credit (on or about)	May 22, 2024
Date of listing (on or about)	May 24, 2024

Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date) or such other time as may be permitted as per applicable law.

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

The above schedule is indicative and does not constitute any obligation on our Company. Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., May 10, 2024 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., May 10, 2024. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to our Company or the Registrar, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., <https://www.bigshareonline.com/>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., <https://www.bigshareonline.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., <https://savanifinancials.co.in/>).

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board or duly authorized committee will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlements and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, i.e., April 4, 2024 provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be

made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- e) Allotment to any other person that our Board or a duly authorized committee may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board or duly authorized committee in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) I(e) 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 Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

Allotment Advice or Refund / Unblocking of ASBA Accounts

Our Company will send / dispatch Allotment advice, refund intimations (or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of on or before T+1 day (T: Basis of allotment day). In case of failure to do so, our Company shall pay interest at the rate of 15% p.a. and within such time as specified under applicable law.

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 an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of funds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment Advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository.

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 unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Option to receive Right Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENIDNG RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

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

- a) Tripartite agreement dated December 13, 2006, amongst our Company, NSDL and the Registrar to the Issue; and
- b) Tripartite agreement dated October 02, 2001, amongst our Company, CDSL and the Registrar to the Issue

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

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step;
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories;
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should

- ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant;
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected;
 - The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense/ in physical mode, etc.). Allotment Advice, refund order/unblocking (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account;
 - Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue by email and, if printing is feasible, through physical dispatch; Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.
 - Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 165 of this Letter of Offer.

Investment by FPIs

In terms of the applicable FEMA Rules and the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any 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 required to ensure that any transfer of derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI

- Regulations; and
- b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Investment by AIFs, FVCIs, VCFs and FDI route

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("**SEBI AIF Regulations**") prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a 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.

Investment by Mutual Funds

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

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

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

In case of application made by NBFC–SI registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (ii) 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.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

Disposal of Applications and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board or our duly authorized committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing

Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalization of Basis of Allotment) In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and

Undertakings by our Company

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within timeline prescribed by the SEBI ICDR Regulations, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- f) In case of refund / unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

Filing

The Draft Letter of Offer has been filed with BSE for seeking its in-principle approval for the proposed Issue in terms of SEBI ICDR Regulations. In accordance with the SEBI ICDR Regulations, our Company shall file a copy of the Letter of Offer with the SEBI at its office located at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India and through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, for the purpose of their information and dissemination on its website.

Important

Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" on page 25 of this Letter of Offer.

All enquiries in connection with the Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "SAVANI FINANCIALS LIMITED – RIGHTS ISSUE" on the envelope and postmarked in India or in this email to the Registrar at the following address:

Bigshare Services Private Limited

Office No S6-2, 6th Floor

Pinnacle Business Park

Next to Ahura Centre, Mahakali Caves Road

Andheri (East), Mumbai, Maharashtra, 400093

Telephone: 022 - 6263 8200

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor grievance e-mail: investor@bigshareonline.com

Contact Person: Suraj Gupta

SEBI Registration No.: INR000001385

Validity of Registration: Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at www.bigshareonline.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 022 - 6263 8200

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

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

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

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates 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 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 between FEMA and such policy pronouncements, FEMA prevails. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. The above information is given for the benefit of the Investors. Our Company is not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

RESTRICTIONS ON PURCHASES AND REALES

General Eligibility and Restrictions

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Issue Shares in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer will be filed with SEBI and the Stock Exchange.

The Rights Entitlements and the Issue Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Equity Shares, applying for excess Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Equity Shares, or who purchases the Rights Entitlements, or Equity Shares shall do so in accordance with the restrictions in their respective jurisdictions.

SECTION VIII- STATUTORY AND OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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

I. Material Contracts for the Issue

1. Registrar Agreement dated December 8, 2023, entered into amongst our Company and the Registrar to the Issue.
2. Banker to the Issue Agreement dated March 15, 2024 to be entered amongst our Company, the Registrar to the Issue, and Banker to the Issue.

II. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated December 21, 1983, and fresh certificate of incorporation consequent to conversion dated May 18, 1987 and change of name October 14, 1993.
3. Resolution of the Board of Directors dated September 01, 2023, in relation to the Issue.
4. Resolution passed by our Rights Issue Oversight Committee dated December 15, 2023, approving this Draft Letter of Offer.
5. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Legal Advisor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Draft Letter of Offer in their respective capacities.
6. Copies of Annual Reports of our Company for Fiscals 2023, 2022, 2021.
7. The Audited Consolidated Financial Statements along with report dated December 8, 2023 of the Statutory Auditor thereon, included in this Draft Letter of Offer.
8. Statement of Tax Benefits dated December 8, 2023, from the Statutory Auditor included in this Draft Letter of Offer.
9. Consent from M/s. Jayantilal Thakkar & Co, Chartered Accountants to be named as the Statutory Auditors of the Company, to include name in this Draft Letter of Offer, as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of their Financial Information.
10. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated October 02, 2001.
11. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated December 13, 2006.
12. In-principle listing approval dated March 15, 2024, from the BSE.
13. Draft Letter of Offer filed by our Company dated December 15, 2023.
14. In-principle approval received from the BSE dated March 15, 2024.
15. Resolution passed by our Rights Issue Oversight Committee dated April 10, 2024 approving this Letter of Offer.
16. Resolution passed by our Rights Issue Oversight Committee dated March 30, 2024 in relation to this rights issue.

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

DECLARATION

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Sd/-

Deepa Tracy
(Managing Director)

Vikrant Prabhakar Ponkshe
(Non-Executive Independent Director)

Sd/-

Sd/-

Ajay Anantraï Patadia
(Independent Director)

Jitendra Negandhi
(Additional Non-Executive Independent Director)

Sd/-

Sd/-

Purvi Ramesh Ambani
(Additional Non-Executive Non-Independent Director)

Ramamoorthy Ravishankar
(Additional Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Praful Sheth
(Chief Financial Officer)

Date: April 10, 2024

Place: Mumbai