

**Date: February 28, 2023**

**The Manager,**  
Listing Operations  
BSE Limited  
Dalal Street,  
Mumbai - 400 001

Dear Sir,

**Sub.: Proposed Rights Issue of Equity Shares of Enbee Trade & Finance Limited (the “Company or Issuer”).**

**ISSUE OF UPTO [●] EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●]/- PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●]/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 4,800.00 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON, [●] (THE “ISSUE”).**

Please see enclosed herewith soft copy of Draft Letter of Offer (“DLOF”) dated February 28, 2023 for the Rights Issue of the Company.

We request for your comments on the enclosed DLOF and your in-principle listing approval for the captioned Rights Issue at the earliest.

In case you require any information or clarification the under-signed may be contacted:

Contact Person	Designation	Telephone	E-mail
Elton D'souza	Assistant Vice President	+91-22 49730394	<a href="mailto:elton@saffronadvisor.com">elton@saffronadvisor.com</a>
Pooja Jain	Assistant Company Secretary & Compliance Officer	+91-22 49730394	<a href="mailto:pooja@saffronadvisor.com">pooja@saffronadvisor.com</a>

Thanking you,

Yours sincerely,

**For and on behalf of Saffron Capital Advisors Private Limited**



**Authorized Signatory**

**Name: Elton D'souza**

**Designation: Assistant Vice President- ECM**



## ENBEE TRADE & FINANCE LIMITED

Enbee Trade & Finance Limited (“Company” or “Issuer”) was incorporated as ‘Enbee Trade & Finance Limited’ on July 24, 1985 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra and consequently a certificate of commencement of business dated August 6, 1985 was issued to our Company. Pursuant to a special resolution passed by the shareholders of our Company through postal ballot on March 12, 2016, the Registered Office of our Company was shifted from Imambada Road, Nagpur – 440 018, Maharashtra, India to B4 /C5, God’s Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.

**Registered Office:** B4 /C5, God’s Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India;

**Tel:** +91 22 7969 2512; **Facsimile:** NA

**E-mail:** enbeetrade@gmail.com ; **Website:** www.enbeetrade.com;

**Contact Person:** Ruchika Kabra, Company Secretary and Compliance Officer;

**Corporate Identification Number:** L50100MH1985PLC036945

### OUR PROMOTER- AMARR NARENDRA GALLA

### FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY

WE HEREBY CONFIRM THAT NEITHER OUR COMPANY NOR OUR PROMOTER OR ANY OF OUR DIRECTORS ARE IDENTIFIED AS WILFUL DEFAULTER OR A FRAUDULENT BORROWER AS ON DATE OF THIS DRAFT LETTER OF OFFER

ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UP TO ₹ 4,800 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE(S) FOR EVERY [●] FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 135 OF THIS DRAFT LETTER OF OFFER.

### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer 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 this Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of the investors is invited to the section titled “Risk Factors” on page 20 of this Draft Letter of Offer.

### OUR COMPANY’S ABSOLUTE RESPONSIBILITY

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

### LISTING

The existing Equity Shares are listed on BSE Limited (“BSE”) (the “Stock Exchange”). Our Company has received ‘in-principle’ approvals from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its letter dated [●]. For the purpose of this Issue, the Designated Stock Exchange is BSE.

### LEAD MANAGER TO THE ISSUE



### SAFFRON CAPITAL ADVISORS PRIVATE LIMITED

605, Center Point, 6<sup>th</sup> floor,  
Andheri Kurla Road, J. B. Nagar,  
Andheri (East), Mumbai - 400 059,  
Maharashtra, India.

**Telephone:** +91 22 49730394

**Facsimile:** NA

**E-mail:** [rights.issue@saffronadvisor.com](mailto:rights.issue@saffronadvisor.com)

**Website:** [www.saffronadvisor.com](http://www.saffronadvisor.com)

**Investor grievance:** [investorgrievance@saffronadvisor.com](mailto:investorgrievance@saffronadvisor.com)

**Contact Person:** Elton D’souza / Pooja Jain

**SEBI Registration Number:** INM 000011211

**Validity of Registration:** Permanent

### REGISTRAR TO THE ISSUE



### CAMEO

### CAMEO CORPORATE SERVICES LIMITED

Subramanian Building, No. 01, Club House Road,  
Chennai- 600 002, Tamil Nadu, India.

**Telephone:** +91 44 4002 0700

**Facsimile:** N.A.

**Email:** [priya@cameoindia.com](mailto:priya@cameoindia.com)

**Website:** [www.cameoindia.com](http://www.cameoindia.com)

**Investor grievance e-mail:** [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Contact Person:** K. Sreepriya

**SEBI Registration No.:** INR000003753

**Validity of Registration:** Permanent

### ISSUE PROGRAMME

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

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

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

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.*

*Provided that terms used in the sections/ chapters titled “Industry Overview”, “Summary of this Draft Letter of Offer”, “Financial Information”, “Statement of Special Tax Benefits”, “Outstanding Litigation and Material Developments” and “Issue Related Information” on pages 56, 18, 75, 75, 52, 127 and 135 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.*

#### Company Related Terms

<b>Term</b>	<b>Description</b>
“Company”, “our Company”, “the Company”, “the Issuer” or “ETFL”	Enbee Trade & Finance Limited, a public limited company incorporated under the Companies Act, 1956, having its registered office at B4 /C5, Gods Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.
“we”, “us”, or “our”	Unless the context otherwise indicates or implies, refers to our Company.
Annual Audited Financial Statements	The audited financial statements of our Company prepared as per Ind AS for Fiscal 2022, Fiscal 2021 and Fiscal 2020, prepared in line with Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
“Articles” / “Articles of Association” / “AoA”	Articles / Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013.
“Auditor” / “Statutory Auditor”/ “Peer Review Auditor”	Statutory and peer review auditor of our Company, namely, Ambavat Jain & Associate LLP, Chartered Accountants.
“Board” / “Board of Directors”	Board of directors of our Company or a duly constituted committee thereof.
“Chief Financial Officer / CFO”	Meyhul Narendra Gaala, the Chief Financial Officer of our Company.
Company Secretary and Compliance Officer	Ruchika Kabra, the Company Secretary and the Compliance Officer of our Company.
“Corporate Social Responsibility Committee/ Committee”	The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013.
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Shareholder	A holder of Equity Shares
Equity Shares	Fully paid-up Equity shares of our Company of face value of ₹ 10 each.
Executive Directors	Executive Directors of our Company.
Independent Director(s)	The Independent Director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
“Key Management Personnel” / “KMP”	Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the subsection titled “Our

<b>Term</b>	<b>Description</b>
	<i>Management and Organizational Structure – Key Managerial Personnel</i> ” on page 74 of this Draft Letter of Offer.
“Limited Reviewed Financial Information” or “Limited Reviewed Financial Statements”	The limited reviewed unaudited financial statements for the nine months period ended December 31, 2022, prepared in accordance with the Companies Act and SEBI Listing Regulations. For details, see “ <i>Financial Information</i> ” on page 75 of this Draft Letter of Offer.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
“Memorandum of Association” / “MoA”	Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013.
Non-Executive and Independent Director	Non-Executive and Independent Directors of our Company, unless otherwise specified.
Non-executive Directors	Non-executive Directors of our Company.
Promoter Group	Individuals and entities forming part of the promoter and promoter group in accordance with SEBI ICDR Regulations.
Promoter(s)	Amarr Narendra Galla is the Promoters of our Company.
Registered Office	The Registered Office of our Company located at B4 /C5, God’s Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.
“Registrar of Companies”/ “RoC”	Registrar of Companies, Maharashtra at Mumbai having its office at 100, Everest, Marine Drive, Mumbai 400 002, Maharashtra, India.
Rights Issue Committee	The committee of our Board constituted for purposes of the Issue and incidental matters thereof.
Shareholders/ Equity Shareholders	The Equity Shareholders of our Company, from time to time.
Stakeholders’ Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.

### Issue Related Terms

<b>Term</b>	<b>Description</b>
“Abridged Letter of Offer” or “ALOF”	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act.
“Allot” or “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account	The account opened with the Banker(s) to the Issue, into which the Application Money lying to the credit of the escrow account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Person(s) to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Investor.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the

<b>Term</b>	<b>Description</b>
	SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount/ASBA	Application (whether physical or electronic) used by ASBA Applicants to make an Application authorizing the SCSB to block the Application Money in the ASBA Account
ASBA Account	Account maintained with SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
ASBA Applicant / ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including renounee) shall make an application for a rights issue only through ASBA facility.
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations.
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated 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 Banks to the Issue.
Bankers to the Issue Agreement	Agreement to be entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Bankers to the Issue for collection of the Application Money from Applicants/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in the Issue and which is described in “ <i>Terms of the Issue</i> ” on page 135 of this Draft Letter of Offer.
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
“Controlling Branches” “Controlling Branches of the SCSBs”	Such branches of SCSBs which coordinate Bids under the Issue with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a> .
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, occupation and bank account details, where applicable.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;in tmId=35</a> , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
“Draft Letter of Offer” “DLoF”, “DLOF”	This draft letter of offer dated February 28, 2023 filed with the Stock Exchange for its observations and in-principal listing approval.
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see “ <i>Notice to Investors</i> ” on page 11.

<b>Term</b>	<b>Description</b>
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
“Issue” or “Rights Issue”	Issue of up to [●] Equity Shares of face value of ₹ 10 each of our Company for cash at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 4,800 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Shares for every [●] Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. [●].
Issue Agreement	Issue Agreement dated February 06, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Material	Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ [●] per Rights Equity Share
Issue Proceeds	The Gross proceeds raised through the Issue.
Issue Size	Amount aggregating up to ₹ 4,800 lakhs
Lead Manager	Saffron Capital Advisors Private Limited
“Letter of Offer” or “LOF”	The final letter of offer to be filed with the Stock Exchange and SEBI for record purposes.
Net Proceeds	Proceeds of the Issue less our Company’s share of Issue related expenses. For further information about the Issue related expenses, see “ <i>Objects of the Issue</i> ” on page 48 of this Draft Letter of Offer.
“Non-ASBA Investor” or “Non-ASBA Applicant”	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Equity Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounees.
“Non-Institutional Bidders” or “NIIs”	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
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 [●].
QIBs or Qualified Institutional Buyers	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, to be decided prior to filing of the Letter of Offer, being [●].
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●].
“Registrar to the Company”	Adroit Corporate Services Private Limited
“Registrar to the Issue” or “Registrar”	Cameo Corporate Services Limited
Registrar Agreement	Agreement dated November 7, 2022 entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.



<b>Term</b>	<b>Description</b>
Renouncee(s)	Any person(s) who has/have acquired the Rights Entitlement from the Eligible Equity Shareholders on renunciation in accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
“Retail Individual Bidders(s)” or “Retail Individual Investor(s)” or “RII(s)” or “RIB(s)”	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being [●] Rights Equity Shares for [●] Equity Shares held on [●], [●].  The Rights Entitlements with a separate ISIN: [●] will be credited to your demat account before the date of opening of the Issue, against the equity shares held by the Equity Shareholders as on the record date.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue on fully paid up basis of Allotment.
Self-Certified Syndicate Banks” or “SCSBs	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at <a href="https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time
Stock Exchange	Stock Exchange where the Equity Shares are presently listed, being BSE.
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter or a Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter or a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such.
Working Day	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

#### **Business and Industry related Terms or Abbreviations**

<b>Term</b>	<b>Description</b>
AML	Anti-money laundering

<b>Term</b>	<b>Description</b>
CRAR	Capital to risk-weighted assets ratio
ECL	Expected credit loss
EPS	Earning Per Share
EMIs	Equated Monthly Instalments
FY	Fiscal Year
GNPA	Gross non-performing assets
IBA	Indian Bank Association
NNPA	Net non-performing assets
NPA	Non-performing assets, and in relation to the RBI Master Directions, shall have the meaning ascribed to it in the RBI Master Directions
UPI	Unified Payment Interface
US/USA	The United States of America
YoY	Year on Year

### Conventional and General Terms or Abbreviations

<b>Term</b>	<b>Description</b>
A/c	Account
AGM	Annual General Meeting
AIF	Alternative Investment Fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AS	Accounting Standards issued by the Institute of Chartered Accountants of India
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
CIBIL	Credit Information Bureau (India) Limited
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CLRA	Contract Labour (Regulation and Abolition) Act, 1970
Companies Act, 2013 / Companies Act	Companies Act, 2013 along with rules made thereunder
Companies Act 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
CSR	Corporate Social Responsibility
Depository(ies)	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
Depositories Act	The Depositories Act, 1996
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPS	Earnings per share
ESI Act	Employees' State Insurance Act, 1948
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year/Fiscal	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
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

<b>Term</b>	<b>Description</b>
	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, 2019
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross Domestic Product
GoI / Government	The Government of India
GST	Goods and Services Tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
ICSI	The Institute of Company Secretaries of India
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 referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended
Indian GAAP	Generally Accepted Accounting Principles in India
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended from time to time
INR or ₹ or Rs.	Indian Rupee, the official currency of the Republic of India.
ISIN	International Securities Identification Number
IT	Information Technology
MCA	The Ministry of Corporate Affairs, GoI
Mn / mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not Applicable
NAV	Net Asset Value
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NSDL	National Securities Depository Limited
OCB	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 was eligible to undertake transactions pursuant to 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
RBI	The Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, as amended
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.

<b>Term</b>	<b>Description</b>
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, since repealed and replaced by the SEBI (AIF) Regulations
Securities Act	The United States Securities Act of 1933.
STT	Securities Transaction Tax
State Government	The Government of a state in India
Trademarks Act	Trademarks Act, 1999, as amended
TDS	Tax Deducted at Source
US\$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be
w.e.f.	With effect from
Year/Calendar Year	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

## NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter (collectively “**Issue Material**”) and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft 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 electronically dispatch through email or physical dispatch through registered post/speed post the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email or physical dispatch through registered post/ speed post, 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, the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchange.

In case the Eligible Equity Shareholders have provided their valid e-mail address registered with the depositories/ Company, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer 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 Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer to any person outside India where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the 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, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the 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 DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF THE OFFER RIGHTS OF EQUITY SHARES OR RIGHTS ENTITLEMENTS.**

**ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF EQUITY SHARES. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER IS MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.**

#### **NO OFFER IN THE UNITED STATES**

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

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

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

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “**US SEC**”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. 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 and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

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

### **ENFORCEMENT OF CIVIL LIABILITIES**

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “**Civil Procedure Code**”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

## PRESENTATION OF FINANCIAL INFORMATION

### Certain Conventions

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

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

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

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

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Financial Statements. For details, please see “*Financial Information*” on page 75 of this Draft Letter of Offer. Our Company’s financial year commences on April 01 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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

We have prepared our annual Audited Financial Statements in accordance with Ind AS and Limited Review Report in accordance with recognition and measurement principles laid down in Ind AS 34 prescribed under the Section 133 of the Companies Act 2013 and Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements), 2015. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “*Financial Information*” on page 75 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer,



(i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

### Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. 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*” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

### Exchange Rates

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

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

Currency	Exchange rate as on			
	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	82.77	75.80	73.53	75.38

(Source:www.fbil.org.in)

### Industry and Market Data

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

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

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us, the LM or any of its affiliates or advisors. 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 20, of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD - LOOKING STATEMENTS

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

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

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

- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions;
- We operate in a highly competitive industry and our inability to compete effectively may adversely affect our business;
- Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition;
- 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; and
- We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on pages 20, 70 and 117, respectively, of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. 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, the LM, the Syndicate Member(s) nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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

## SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Draft Letter of Offer, including the sections titled “Risk Factors”, “The Issue”, “Capital Structure”, “Objects of the Issue”, “Our Business”, “Industry Overview”, “Outstanding Litigations and Defaults” and “Terms of the Issue” on pages 20, 40, 46, 48, 70, 56, 127 and 135 respectively.

### 1. Primary Business of our Company

We are a Non Deposit Accepting Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 13.00691 dated April 20, 1998. As the Company has been granted NBFC License by RBI, the Company’s business model is mainly centered on Loan activities i.e. granting of unsecured loans to body corporates and individuals. We need financial resources to fuel the growing demand and to seize the opportunities presented by the market from time to time. We have been in the business for the last 25 years. There are no holding as well as subsidiary companies of the Company.

For further details, please refer to the chapter titled “Our Business” at page 70 of this Draft Letter of Offer.

### 2. Objects of the Issue

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

Particulars	Amount
Repayment of unsecured loans availed by our company from Promoter and Promoter Group	2,490.00
Augmentation of Capital Base of our Company	2,210.00
<b>Net Proceeds from the Issue</b>	<b>[●]</b>

For further details, please see chapter titled “Objects of the Issue” beginning on page 48 of this Draft Letter of Offer.

### 3. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Amarr Narendra Galla, the Promoter of our Company, and members of our Promoter Group have, *vide* his letters dated February 24, 2023 (the “**Subscription Letters**”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

The additional subscription by the promoter and promoter group shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

### 4. Summary of Outstanding Litigation and Defaults

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

Nature of cases	Number of cases	Amount involved* (₹ in lakhs)
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	3	5.70
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil

Nature of cases	Number of cases	Amount involved* (₹ in lakhs)
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil

**5. Risk Factors**

Please see the chapter titled “*Risk Factors*” beginning on page 20 of this Draft Letter of Offer.

**6. Summary of Contingent Liabilities**

For details regarding our contingent liabilities for Fiscal 2022 and December 31, 2022, see “*Financial Information*” at page 75 of this Draft Letter of Offer.

**7. Summary of Related Party Transactions**

For details regarding our related party transactions for Fiscal 2022 and December 31, 2022, see “*Financial Information*” at page 75 of this Draft Letter of Offer.

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

Our Company has not made any issuances of Equity Shares in the last one year for consideration other than cash.

## SECTION II - RISK FACTORS

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

*To obtain a complete understanding, you should read this section in conjunction with the sections “Industry Overview”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 56, 70 and 117 of this Draft Letter of Offer, respectively. The industry-related information disclosed in this section has been derived from publicly available documents from various sources believed to be reliable, but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Neither our Company, nor any other person connected with the Issue, including the LM, has independently verified the information in the industry report or other publicly available information cited in this section.*

*This Draft Letter of Offer also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and, in the section titled “Forward-Looking Statements” on page 16 of this Draft Letter of Offer.*

*Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context requires otherwise, the financial information of our Company has been derived from the Financial Information and the Limited Review Financial Information, prepared in accordance with Ind AS, the Companies Act and SEBI ICDR Regulations.*

*Materiality:*

*The Risk Factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality of Risk Factors:*

- *Some events may not be material individually but may be found material collectively;*
- *Some events may have material impact qualitatively instead of quantitatively; and*
- *Some events may not be material at present but may have a material impact in future.*

*The financial and other related implications of risks concerned, wherever quantifiable have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence, the same has not been disclosed in such risk factors. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk over another.*

*In this Draft Letter of Offer, any discrepancies in any table between total and sums of the amount listed are due to rounding off.*

*In this section, unless the context requires otherwise, any reference to “we”, “us” or “our” refers to Enbee Trade & Finance Limited.*

*The risk factors are classified as under for the sake of better clarity and increased understanding.*

### INTERNAL RISK FACTORS

## **BUSINESS RELATED RISKS**

- 1. As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions.***

Under section 45N of the Reserve Bank of India, 1934 (“**RBI Act**”) we are subject to periodic inspections by the RBI to verify correctness or completeness of any statement, information or particulars furnished to the RBI for the purpose of obtaining any information or particulars which our Company has failed to furnish on being called upon to do so. While we may respond to RBI and address such observations; there can be no assurance that the RBI will not make similar or other observations in the future. If we are unable to resolve such deficiencies to RBI’s satisfaction, our ability to conduct our business may be adversely affected. Imposition of any penalty or adverse findings by the RBI during the ongoing or any future inspections may have an adverse impact on our business prospects, financial condition and results of operations.

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

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

- 3. Our business will require substantial funds, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.***

Our liquidity and profitability are, in large part, dependent upon our timely access to, and costs associated with raising capital including both debt and equity. Our business depends and will continue to depend on our ability to access diversified low-cost funding sources. As a financial services company, we face certain additional regulatory restrictions on our ability to obtain financing from banks. Further, under Indian Law, foreign investors are subject to investment restrictions that may limit our ability to attract foreign investors or capital from overseas investors.

Pursuing our growth strategy and introducing new product offerings to our customers will have an impact on our long-term capital requirements. With the growth of our business, we may be increasingly reliant on funding from debt capital markets. The market for such funds is competitive and our ability to obtain funds at competitive rates will depend on various factors. If we are unable to access funds at an effective cost that is comparable to or lower than our competitors, we may not be able to offer competitive interest rates for our loans. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors, including the regulatory environment and policy initiatives in India, lack of liquidity in the market, developments in the international markets affecting the Indian economy, investors’ and/or lenders’

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

**4. *The majority of Issue proceeds will be utilized by our Company for repayment of unsecured loans availed by it from our Promoter and members of our Promoter Group.***

One of the Objects of this Issue is to repay the unsecured loans amounting to ₹ 2,490 lakhs availed by our Company from our Promoter and members of our Promoter Group. As on January 31, 2023, we have outstanding unsecured loans aggregating to ₹ 2,490 lakhs from our Promoter and member of the Promoter Group. Out of the Issue proceeds, we intend to utilize ₹ 2,490 lakhs for repayment of unsecured loans availed by our Company from our Promoter and members of the Promoter Group. For further details, please see the chapter titled “*Objects of the Issue*” beginning on page 48 of this Draft Letter of Offer.

**5. *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.***

A significant component of our revenue is the interest on loans and other financing activity we receive from the loans we disburse. Our net interest margins are affected by any volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including competition from other banks and NBFCs, the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Persistently high inflation in India may discourage the Government from implementing policies that would cause interest rates to decrease. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass to our customers, we may find it difficult to compete with our competitors, who may have access to funds at a lower cost or lower cost deposits. To the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Further, our ability to pass on any increase in interest rates to borrowers may also be constrained by regulations implemented by the Government or the RBI. In a declining interest rate environment, if our cost of funds does not decline simultaneously or to the same extent as the yield on our interest-earning assets, it could lead to a reduction in our net interest income and net interest margin.

**6. *We depend on the accuracy and completeness of information about customers and counterparties for certain key elements of our credit assessment and risk management process. Any misrepresentation, errors in or incompleteness of such information could adversely affect our business and financial performance.***

In deciding whether to extend credit or enter into other transactions with customers, for certain key elements of the credit assessment process, we rely on information furnished to us by or on behalf of customers (including in relation to their financial transactions and past credit history). We may also rely on certain representations from our customers as to the accuracy and completeness of that information. For ascertaining the creditworthiness and encumbrances on collateral we may depend on the respective registrars and sub-registrars of assurances, credit information companies or credit bureaus, and on independent valuers in relation to the value of the collateral, and our reliance on any misleading information given, may affect our judgement of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, prospects, results of operations and financial condition. We may receive inaccurate or incomplete information as a result of negligence or fraudulent misrepresentation. Our risk management measures may not be adequate to prevent or deter such activities in all cases, which may adversely affect our business prospects, financial condition and results of operations.

**7. *High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.***

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their



obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

**8. *We may not be able to recover, on a timely basis or at all, the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.***

The value of the security provided to us, may be subject to reduction in value on account of other extraneous reasons. Consequently, the realizable value of the security for the loans provided by us, when liquidated, may be lower than principal amount outstanding along with interest and other costs recoverable from such customers.

Although we believe that we generally maintain a sufficient margin in the collateral value, if we have to enforce such pledges and if at the time of such enforcement, due to adverse market conditions, the market value of the pledged securities have fallen to a level where we are unable to recover the monies lent by us, along with interest accrued thereon and associated costs, the results of our operations would be adversely affected. In case of any shortfall in margins in connection with the securities pledged as collaterals, we typically call upon the relevant customer to provide further collateral to make up for the deficit in such margins. Furthermore, enforcing our legal rights by litigating against defaulting customers is generally a slow and potentially expensive process in India. Accordingly, it may be difficult for us to recover amounts owed by defaulting customers in a timely manner or at all.

**9. *Our Company's inability to obtain, renew or maintain the statutory and regulatory permits and approvals which are required to operate its existing or future businesses may have a material adverse effect on its business, financial condition, cash flows and results of operations.***

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all. In addition, we require several registrations to operate our branches in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislations governing shops and establishments, professional tax, GST registrations etc. Some of these approvals may have expired in the ordinary course, and our Company has either applied, or is in the process of applying for renewals of them. Failure by our Company to renew, maintain or obtain the required permits or approvals may result in an interruption of its operations and may have a material adverse effect on its business, financial condition, cash flows and results of operation.

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

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

***11. We may experience difficulties in expanding our products.***

Expanding our products portfolio with new or existing products can be costly and require significant management time and attention. Additionally, as our operations grow in size, scope and complexity and our product offerings increase, we will need to enhance and upgrade our systems and infrastructure to offer an increasing number of enhanced solutions, features and functionality. The expansion of our systems and infrastructure will require us to commit substantial financial, operational and technical resources in advance of an increase in the volume of business, with no assurance that the volume of business will increase. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train our employees properly may result in an increase in employee attrition rates, require additional hiring, erode the quality of customer service, divert management resources, increase our exposure to high -risk credit and impose significant costs on us.

***12. We are exposed to operational and credit risks which may result in NPAs, and we may be unable to control or reduce the level of NPAs in our portfolio.***

Our Company's inability to control the number and value of its NPAs may lead to deterioration of the quality of its loan portfolio and may adversely impact its business. Further, if our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

***13. We may face asset-liability mismatches, which could affect our liquidity and consequently may adversely affect our operations and profitability.***

Assets and liability mismatch ("ALM") represents a situation when financial terms of an institution's assets and liabilities do not match. ALM is a key financial parameter indicative of an NBFC's performance. We cannot assure you that we will be able to maintain a positive ALM always. We may rely on funding options with short term maturity periods for extending long term loans, which may lead to a negative ALM. Further, mismatches between our assets and liabilities are compounded in case of prepayment of financing facilities we grant to customers. Any mismatch in our ALM, may lead to a liquidity risk and have an adverse effect on our business prospects, financial condition, results of operations and profitability.

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

We store customers' bank information, credit information and other sensitive data. Any accidental or willful security breaches or other unauthorized access could cause the theft and criminal use of this data. Security breaches or unauthorized access to confidential information could also expose us to liability related to the loss of the information, time-consuming and expensive litigation and negative publicity. If security measures are breached because of third party action, employee error, malfeasance or otherwise, or if design flaws in our software are exposed and exploited, and, as a result, a third party obtains unauthorized access to customer data, our relationships with customers will be severely damaged, and we could incur significant liability. Further, we engage with certain third party service providers, and although our contracts with them restrict the usage of client data and impose protective precautions, there can be no assurance that they will abide by such contractual terms or that the contracts will be found to be in compliance with data protection laws. Because techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not recognized until they are launched against a target, we and our third party hosting facilities may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, we may be required under applicable regulations to notify individuals of data security breaches involving their personal data. These mandatory disclosures regarding a security breach are costly to implement and often lead to widespread negative publicity, which may cause customers to lose confidence in the effectiveness of our data security measures. Any security breach, whether actual or perceived, would harm our reputation, and result in lost customers, which could in turn have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

***15. If we are unable to comply with the capital adequacy requirements stipulated by the RBI in connection with our lending business, our business, results of operations and cash flows may be materially and***

*adversely affected.*

Our lending business, is subject to various regulations relating to the capital adequacy of NBFCs, which determine the minimum amount of capital we are required to maintain. There can be no assurance that we will be able to maintain CRAR within the regulatory requirements. Further, as we grow our lending business loan portfolio, we will be required to raise additional Tier I and Tier II capital in order to continue to meet applicable capital adequacy ratios with respect to such business. There can be no assurance that we will be able to raise adequate additional capital in the future on favourable terms, or at all. This could result in non-compliance with applicable capital adequacy ratios, which could have a material adverse effect on our business, results of operations and cash flows. Also, there is no assurance that RBI will not take any action for breaches in capital adequacy norms by our Company in the future. This could materially adversely affect our business, prospects, results of operations, financial condition and cash flows and could impair our ability to continue current operations and in extreme case, may lead to suspension/ cancellation/ withdrawal of our license to operate as an NBFC.

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

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

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

***17. 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.

**18. *Our insurance coverage may not adequately protect us against losses.***

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

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

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

**20. *Our trademarks used by us are currently not registered in the name of our Company. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.***

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

**21. *In the past, there have been instances of delayed or non-filing of certain forms which were required to be filed as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 to RoC by our Company.***

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company. Further, there have been instances of non-filings of statutory forms with RoC as per the reporting requirements laid down under the Companies Act 1956 and Companies Act, 2013 by our Company, for instance, while our Company has repaid the loans which were availed from The Vysya Bank Limited, State Bank of India and Bank of Maharashtra, however it failed to file the statutory form, Form 17 with the RoC for satisfaction of the charge, consequent to which the loans availed from the aforementioned banks are still reflecting under the index of charges maintained by the RoC. No show cause notice in respect to the above has been received by our Company till date. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

**22. *If we are unable to maintain and enhance the 'Enbee' brand equity, the sales of our services may suffer***

***which would have a material adverse effect on our financial condition and results of operations***

The brand we have developed, has over the years, significantly contributed to the success of our business. We also believe that maintaining and enhancing the ‘Enbee’ brand, is critical to maintaining and expanding our client base. Maintaining and enhancing our ‘Enbee’ brand may require us to make substantial investments in various areas, such as development, marketing and brand building activities, and these investments may not be successful. Further, in the event that we are not able to maintain the quality of our service or our goodwill is affected for any reason, our business and results of operations may be adversely affected. There can be no assurance that consumers will continue to be receptive to our brand.

In particular, as we expand into new market segments, there can be no assurance that consumers in these market segments will accept our brand. Further, our brand may also be adversely affected if our public image or reputation is tarnished by any negative publicity. Maintaining and enhancing our brand will depend largely on our ability to anticipate, gauge and respond in a timely manner to changing trends and consumer demands and preferences, and to continue to provide high quality services, which we may not do successfully. If we are unable to maintain or enhance our brand image, our results of operations and our business may be affected.

**23. *Our results of operations are likely to vary from year to year and be unpredictable, which could cause the market price of the Equity Shares to be volatile.***

Our results of operations in any given year can be influenced by a number of factors, many of which are outside of our control and may be difficult to predict, including:

- a. our ability to acquire and retain clients for our services;
- b. maintaining high levels of customer satisfaction;
- c. costs relating to our operations;
- d. adhering to our high quality and process execution standards;
- e. pricing/interest rate policies introduced by our competitors;
- f. the timing and nature of, and expenses incurred in, our marketing efforts;
- g. recruiting, training, and retaining sufficient skilled technical and management personnel; and
- h. developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, and other internal systems.

All of these factors, in combination or alone could negatively impact our revenues and may cause significant fluctuations in our results of operations. This variability and unpredictability could materially and adversely affect our results of operations and financial condition.

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

We have experienced negative cash flows from operations in the recent past. Our cash flow for FY 2019-20, FY 2020-21 and FY 2021-22, are set forth in the table below:

*(in ₹ lakhs)*

Particulars	For the year ended March 31		
	2021-22	2020-21	2019-20
Net cash used in operating activities	(1,202.08)	1.74	11.95
Net cash used in investing activities	(0.01)	(0.02)	(12.69)
Net cash from financing activities	1,085.30	0.00	0.00

Any negative cash flows in the future could adversely affect our results of operations and financial condition.

For further details, see “Management’s Discussion and Analysis of our Financial Condition and Results of Operations” on page 117.

**25. *We do not own our Registered Office. Disruption of our rights as licensee/ lessee or termination of the agreement with our licensors/ lessors would adversely impact our business.***

The Registered Office of our Company is taken on lease for a fixed tenure from our Promoter. The lease is renewable on mutually agreed terms. Upon termination of the lease, we are required to return the said

business premises to the Lessor/Licensor, unless renewed. There can be no assurance that the term of the agreements will be renewed and in the event the Lessor/Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement. We may have to find new premises which may lead to higher costs. However, since the registered office premises are owned by our promoter/promoter group, we do not foresee any problem in renewal.

**26. *Our Promoters, Directors and Key Managerial Personnel have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our Promoters, Directors and Key Managerial Personnel, may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters, Directors and Key Managerial Personnel may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners. For further details, please see the section titled “*Financial Information*” at page 75 of this Draft Letter of Offer.

There can be no assurance that our Promoters, Directors, Key Management Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Directors and our Key Management Personnel may take or block actions with respect to our business, which may conflict with the best interests of our Company or that of minority shareholders.

**27. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.***

After the completion of the Issue, our Promoters and the members of the Promoter Group will hold approximately [●]% of the paid-up equity share capital of our Company assuming full subscription to the Rights Entitlement in the Issue. Our Promoters and the members of the Promoter Group holding Equity Shares in our Company, have undertaken to fully subscribe for their Rights Entitlement. They reserve the right to subscribe for their Rights Entitlement pursuant to any renunciation made by any member of the Promoter Group to another member of the Promoter Group. Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters’ shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

**28. *Our Promoter is not the original promoter of our Company and has acquired control of our Company on in 2016, therefore we cannot trace certain historical records of our Company.***

Our Promoter is not the original Promoter of the Company and has acquired control of our Company in the year 2016. In view of the change in management, we are unable to access certain historical records of the Company, such as prospectus issued during the initial public offer of the Company. Accordingly, we have relied on other documents, including annual returns, directors’ report, the statutory register of members of the Company, minutes of the meetings of the Board of Directors and Shareholders. We cannot assure you that on account of any of the missing records, we will not be subject to any penalties imposed by the relevant regulatory authority in this respect.

**29. *We have in past entered into related party transactions and we may continue to do so in the future.***

As of December 31, 2022, March 31, 2022, March 31, 2021, we have entered into several related party transactions with our Promoters, individuals and entities forming a part of our promoter group relating to

our operations. In addition, we have in the past also entered into transactions with other related parties. For further details, please see the section titled “*Financial Information*” at page 75 of this Draft Letter of Offer.

While we believe that all our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we may not have achieved more favourable terms had such transactions been entered into with unrelated parties. There can be no assurance that such transactions, individually or taken together, will not have an adverse effect on our business, prospects, results of operations and financial condition, including because of potential conflicts of interest or otherwise. In addition, our business and growth prospects may decline if we cannot benefit from our relationships with them in the future.

**30. *Our Company has taken certain unsecured loans from our Promoter and members of our Promoter Group, which may be recalled at any time.***

As on January 31, 2023, our Company has outstanding unsecured loans aggregating to ₹ 2,490 lakhs, which have been extended by our Promoter and members forming part of our Promoter Group and may be recalled by them at any time. In the event, any of such lenders seek a repayment of any these loans, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to arrange for any such financing arrangements, we may not have adequate working capital to undertake new projects or complete our ongoing projects. Therefore, any such demand may adversely affect our business, financial condition and results of operations.

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

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

**32. *Our success largely depends upon the knowledge and experience of our Promoters, Directors and our Key Managerial Personnel. Loss of any of our Directors and key managerial personnel or our ability to attract and retain them could adversely affect our business, operations and financial condition.***

The growth and success of our Company’s future significantly depends upon the experience and continued services and the management skills of our Key Managerial Personnel and the guidance of our Directors for development of business strategies, monitoring its successful implementation and meeting future challenges. We believe the expertise, experience and continued efforts of our Key Managerial Personnel and their inputs are valuable to for the operations of our Company. Our future success and growth depend largely on our ability to attract, motivate and retain the continued service of our highly skilled management personnel. Our Company has never been faced with a challenge of high rate of attrition of our Key Management Personnel in the past, however, any attrition of our experienced Key Managerial Personnel, would adversely impact our growth strategy. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those Key Managerial Personnel who leave. In the event we are unable to motivate and retain our key managerial personnel and thereby lose the services of our highly skilled Key Managerial Personnel may adversely affect the operations, financial condition and profitability of our Company and thereby hampering and adversely affecting our ability to expand our business. For further details on our Directors and Key Managerial Personnel, please refer to the chapter titled — “*Our Management and Organisational Structure*” on page 73 of this Draft Letter of Offer.

**33. *Our Company has been unable to make payment towards certain statutory dues for more than six months and therefore our Statutory Auditor has included an emphasis of matter in the CARO report for the Financial Year ended March 31, 2022.***

Our Statutory Auditor has included the following Emphasis of Matter in the CARO report for the Financial Year ended March 31, 2022:

“*In respect of Company’s Statutory Dues:*

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities except for following:

As on balance sheet date, the company has not paid following statutory dues for more than 6 months:

<i>Particulars</i>	<i>Amount (in ₹)</i>
TDS	17,01,600

The statutory due outstanding as at December 31, 2022 were ₹ 86.49 lakhs of which ₹ 32.85 lakhs is outstanding for more than six months. The details of such statutory dues have been provided below:

<i>Particulars</i>	<i>Outstanding amount as at December 31, 2022</i>	<i>Outstanding amount for more than six months as at December 31, 2022</i>
Income Tax	45.98	25.80
Profession tax	0.36	0.20
TDS	40.15	6.86
<b>Total</b>	<b>86.49</b>	<b>32.86</b>

Although no show cause notice in respect to the above has been received by our Company till date and no penalty or fine has been imposed by any regulatory authority, it cannot be assured that there will not be such instances in the future or that our Company will not commit any further delays or defaults in relation to the applicable regulatory requirements, or that any penalty or fine will not be imposed by any regulatory authority in respect to the same.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. Our business is working capital intensive and we are required to obtain consents from certain of our lenders prior to the declaration of dividend as per the terms of the agreements executed with them. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future.

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

As the issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI ICDR Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the Shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act, 2013. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the chapter titled — "Objects of the Issue" on page 48 of this Draft Letter of Offer.

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



The Equity Shares of our Company are listed on BSE, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI Listing Regulations, as well as requirements under the Companies Act for a listed Company. During the preceding one year from the date of filing of this Draft Letter of Offer, there have been no defaults in complying with the applicable provisions of SEBI Listing Regulations and accordingly, our Company has filed this Draft Letter of Offer under Part B of Schedule VI of SEBI ICDR Regulations.

Our Company endeavours to comply with all applicable obligations/reporting requirements, however, upon occurrence of any future instances of non-disclosures/delayed/erroneous disclosures and/or any other violations by us, our Company may be exposed to imposition of penalties, warnings and show cause notices being against us by SEBI and Stock Exchanges. For instance, BSE Limited has imposed fine on our Company in the past on account of non-compliance of certain provisions of the SEBI Listing Regulations, for further details, refer to – “*Outstanding Litigations and Defaults - Proceedings involving material violations of statutory regulations by our Company*” on page 127. Any future adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

- 37. *We have not commissioned an industry report for the disclosures made in the chapter titled “Industry Overview” and made disclosures on the basis of the data available on the internet and such 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 chapter titled “*Industry Overview*” of this Draft Letter of Offer. We have made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Draft Letter of Offer. Further, the industry data mentioned in this Draft Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Draft Letter of Offer in this context.

#### **ISSUE SPECIFIC RISKS**

- 38. *We will not distribute the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter to overseas Shareholders who have not provided an address in India for service of documents.***

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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 permitted under laws of such jurisdictions and in each case who make a request in this regard. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules made thereunder with respect to distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act, 2013 and may subject us to fines or penalties.

- 39. *SEBI has recently, by way of circular dated January 22, 2020, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Draft Letter of Offer.***

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

caution, carefully follow the requirements as stated in the SEBI circular dated January 22, 2020 and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see “*Terms of the Issue*” on page 135 of this Draft Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI 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 suspended for debit or credit 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.

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

In accordance with the circular 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 demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. For details, please refer chapter “*Terms of the Issue*” on page 138 of this Draft Letter of Offer.

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for 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, see “*Terms of the Issue*” on page 138 of this Draft Letter of Offer..

**42. *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.

**43. *Investors 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 exchanges 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.

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

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

**45. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.***

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

**46. *You may not receive the Equity Shares that you subscribe 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 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.

**47. *The trading price of our Equity Shares may be subject to volatility and you may not be able to sell your Equity Shares at or above the Issue Price.***

The trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political

and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

**48. *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.

**49. *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 Exchange. 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.

**50. *Investors will not have the option of getting the allotment of Equity Shares in physical form.***

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "*Terms of the Issue*" on page 138 of this Draft Letter of Offer. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

**51. *There is no guarantee that our Equity Shares will be listed, or continue to be listed, on the Indian stock exchanges in a timely manner, or at all, and prospective investors will not be able to immediately sell their Equity Shares on the Stock Exchange.***

In accordance with Indian law and practice, final approval for listing and trading of our Equity Shares will not be applied for or granted until after our Equity Shares have been issued and allotted. Such approval will require the submission of all other relevant documents authorizing the issuance of our Equity Shares. Accordingly, there could be a failure or delay in listing our Equity Shares on the Stock Exchange, which would adversely affect your ability to sell our Equity Shares.

**52. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the***

*trading price of the Equity Shares.*

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

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

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

**EXTERNAL RISK FACTORS**

**54. *Significant differences exist between Ind AS, Indian GAAP and other accounting principles, such as US GAAP and International Financial Reporting Standards ("IFRS"), which investors may be more familiar with and consider material to their assessment of our financial condition.***

Our summary statements of assets and liabilities and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity, as per the Financial Statements, have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules, 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 Draft 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 Financial Information included in this Draft 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 Draft Letter of Offer should accordingly be limited.

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

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

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 products or 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.

**56. *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;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- variations in exchange rates;
- 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.

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes, including the instances mentioned below, may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the

profitability of such transactions.

In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

**58. *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, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, 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.

These could include further falls in Stock Exchange's indices and greater volatility of markets in general due to the increased uncertainty. These and other related events could have a significant impact on the global credit and financial markets as a whole, and could result in reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. There are also 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.

**59. *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.

**60. *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.

**61. *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.

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

The regulatory environment in which we operate is evolving and is subject to change. The GoI may implement new laws or other regulations that could affect the insurance industry, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI and other regulatory bodies, or impose onerous requirements. New compliance requirements could increase our costs or otherwise adversely affect our business, financial condition and results of operations. Further, the manner in which new requirements will be enforced or interpreted can lead to uncertainty in our operations and could adversely affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.



Changes in other laws may impose additional requirements, resulting in additional expenditure and time cost. For instance, the GoI has announced four labour codes which are yet to come into force as on the date of this Draft Letter of Offer, namely, (i) the Code on Wages, 2019, (ii) the Industrial Relations Code, 2020; (iii) the Code on Social Security, 2020; and (iv) the Occupational Safety, Health and Working Conditions Code, 2020. Such codes will replace the existing legal framework governing rights of workers and labour relations. While the rules for implementation under these codes have not been announced, we are unable to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future. For example, the Social Security Code aims to provide uniformity in providing social security benefits to employees which were previously segregated under different acts and had different applicability and coverage. The Social Security Code has introduced the concept of workers outside traditional employer-employee work-arrangements, such as “gig workers” and “platform workers” and provides for the mandatory registration of such workers in order to enable these workers to avail themselves of various employment benefits, such as life and disability cover, health and maternity benefits and old age protection, under schemes framed under the Social Security Code from time to time. Any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

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

**64. *Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

The recent outbreak of Novel Coronavirus has significantly affected financial markets around the world. Any other global economic developments or the perception that any of them could occur may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders’ equity and the price of our Equity Shares.

## SECTION III – INTRODUCTION

### THE ISSUE

This Issue has been authorized through a resolution passed by our Board on January 12, 2023 read with resolution passed by our Board on December 24, 2021 pursuant to Section 62(1)(a) of the Companies Act and other applicable provision. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled “*Terms of the Issue*” on page 135 of this Draft Letter of Offer.

<b>Particulars</b>	<b>Details of Equity Shares</b>
<b>Equity Shares proposed to be issued</b>	Upto [●] Equity Shares
<b>Rights Entitlement</b>	Upto [●] Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date i.e. [●]
<b>Fractional Entitlement</b>	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.
<b>Record Date</b>	[●]
<b>Face value per Equity Shares</b>	₹ 10/-
<b>Issue Price per Rights Equity Shares</b>	₹ [●]/-per fully paid-up Equity Share (including a premium of ₹ [●]/-per Equity Share)
<b>Issue Size</b>	Upto [●] Equity Shares of face value of ₹ 10 each for cash at a price of ₹ [●] (Including a premium of ₹ [●]) per Rights Equity Share not exceeding an amount of ₹ 4,800 lakhs.
<b>Voting Rights and Dividend</b>	The Equity Shares issued pursuant to this Issue shall rank <i>pari passu</i> in all respects with the Equity Shares of our Company.
<b>Equity Shares issued, subscribed and paid up prior to the Issue</b>	16,00,050 Equity Shares
<b>Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)</b>	Upto [●] Equity Shares
<b>Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)</b>	[●]
<b>Money payable at the time of Application</b>	₹ [●]
<b>Scrip Details</b>	<b>ISIN for Equity Shares:</b> INE993I01011 <b>BSE:</b> 512441 <b>Rights Entitlement ISIN:</b> [●]
<b>Use of Issue Proceeds</b>	For details please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 48 of this Draft Letter of Offer.
<b>Terms of the Issue</b>	For details please refer to the chapter titled “ <i>Terms of the Issue</i> ” on page 135 of this Draft Letter of Offer.

Please refer to the chapter titled “*Terms of the Issue*” on page 135 of this Draft Letter of Offer.

#### 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:

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

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

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

## GENERAL INFORMATION

Our Company was incorporated as ‘*Enbee Trade & Finance Limited*’ on July 24, 1985 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra and consequently a certificate of commencement of business dated August 6, 1985 was issued to our Company. The corporate identification number of our Company is L50100MH1985PLC036945.

### Registered Office of our Company

#### **Enbee Trade & Finance Limited**

B4 /C5, Gods Gift Chs Ltd,  
N M Joshi Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India

**Telephone:** +91 22 7969 2512

**Facsimile:** NA

**E-mail:** [enbeetrade@gmail.com](mailto:enbeetrade@gmail.com)

**Website:** [www.enbeetrade.com](http://www.enbeetrade.com)

**Registration Number:** 036945

**CIN:** L50100MH1985PLC036945

### Registrar of Companies

Our Company is registered with the Registrar of Companies, at Mumbai, Maharashtra situated at the following address:

#### **Registrar of Companies,**

100, Everest,  
Marine Drive  
Mumbai 400 002,  
Maharashtra, India

**Telephone:** +91 22 2281 2627/2202 0295/2284 6954

**Facsimile:** +91 22 2281 1977

**E-mail:** [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

### Chief Financial Officer

Meyhul Narendra Gaala, is the Chief Financial Officer of our Company. His contact details are set forth hereunder.

B4 /C5, God’s Gift Chs Ltd,  
N M Joshi Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India

**Telephone:** +91 22 7969 2512

**E-mail:** [enbeetrade@gmail.com](mailto:enbeetrade@gmail.com)

### Company Secretary and Compliance Officer

Ruchika Kabra, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

B4 /C5, God’s Gift Chs Ltd,  
N M Joshi Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India

**Telephone:** +91 22 7969 2512

**E-mail:** [enbeetrade@gmail.com](mailto:enbeetrade@gmail.com)

### Details of Key Intermediaries pertaining to this Issue of our Company:

#### Lead Manager to the Issue

**Saffron Capital Advisors Private Limited**

605, Center Point, 6<sup>th</sup> floor,  
Andheri Kurla Road, J. B. Nagar,  
Andheri (East), Mumbai - 400 059,  
Maharashtra, India.  
**Telephone:** +91 22 49730394  
**Facsimile:** NA  
**E-mail:** [rights.issue@saffronadvisor.com](mailto:rights.issue@saffronadvisor.com)  
**Website:** [www.saffronadvisor.com](http://www.saffronadvisor.com)  
**Investor grievance:** [investorgrievance@saffronadvisor.com](mailto:investorgrievance@saffronadvisor.com)  
**Contact Person:** Elton D'souza / Pooja Jain  
**SEBI Registration Number:** INM000011211

#### **Registrar to the Issue**

**Cameo Corporate Services Limited**  
Subramanian Building, No. 01,  
Club House Road, Chennai- 600 002,  
Tamil Nadu, India.  
**Telephone:** +91 44 4002 0700  
**Facsimile:** N.A.  
**E-mail:** [priya@cameoindia.com](mailto:priya@cameoindia.com)  
**Website:** [www.cameoindia.com](http://www.cameoindia.com)  
**Investor Grievance e-mail:** [investor@cameoindia.com](mailto:investor@cameoindia.com)  
**Contact Person:** K. Sreepriya  
**SEBI Registration No.:** INR000003753

#### **Legal Advisor to the Issue**

**T&S Law**  
Door Number 1202, Devika Towers,  
Ghaziabad – 201 017,  
Uttar Pradesh, India  
**Telephone:** +91 959 970 0476  
**Email:** [info@tandslaw.in](mailto:info@tandslaw.in)

#### **Statutory and Peer Review Auditor of our Company**

**Ambavat Jain & Associates LLP**  
Chartered Accountants  
5, Ground Floor, Onlooker Building,  
14, Sir P.M., Road, Fort, Mumbai – 400 001,  
Maharashtra, India.  
**Telephone:** +91 98 9206 8533  
**Email:** [info@ajallp.in](mailto:info@ajallp.in)  
**Contact Person:** Chirag Shah  
**Membership No.:** 125997  
**Firm Registration No.:** 109681W  
**Peer Review Certificate No.:** 013217

#### **Bankers to the Issue/ Refund Bank**

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

#### **Designated Intermediaries**

##### *Self-Certified Syndicate Banks*

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the

SEBI <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted.

### **Inter-se Allocation of Responsibilities**

Saffron Capital Advisors Private Limited being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence a statement of inter se allocation of responsibilities is not required.

### **Credit Rating**

As this is an Issue of Equity Shares, credit rating is not required.

### **Debenture Trustees**

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

### **Monitoring Agency**

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

### **Appraising Entity**

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

### **Underwriting Agreement**

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

### **Expert Opinion**

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

Our Company has received written consent dated February 28, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 30, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated February 7, 2023 on the unaudited financial statements for the nine month period ended December 31, 2022; and (iii) statement of tax benefits dated February 28, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

### **Investor grievances**

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors are advised to contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre- Issue or post-Issue related problems such as non-receipt of Abridged Letter of Offer/ Application Form and Rights Entitlement Letter/ Letter of Allotment, Split Application Forms, Share Certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the Application Form and Rights Entitlement Letter or the plain paper application, in case of Eligible Equity Shareholder, was submitted by the ASBA Investors through ASBA process.

### **Filing**

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

### Issue Schedule

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

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

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

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

### Minimum Subscription

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

## CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and the 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:

S. No.	Particulars	Amount (in ₹ Lakhs, except share data)	
		Aggregate value at nominal value	Aggregate value at Issue Price
<b>A. Authorised Share Capital</b>			
	3,40,00,000 Equity Shares of face value of ₹ 10 each*	3,400.00	
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b>			
	16,00,050 Equity Shares of face value of ₹ 10 each	160.00	
<b>C. Present Issue in terms of this Draft Letter of Offer<sup>(1)</sup></b>			
	Up to [●] Equity Shares of face value of ₹ 10 each	[●]	[●]
<b>D. Issued, Subscribed and Paid-Up Share Capital after the Issue</b>			
	[●] Equity Shares of face value of ₹ 10 each		[●]
<b>E. Securities Premium Account</b>			
	Before the Issue	542.02	
	After the Issue		[●]

<sup>(1)</sup>The present Issue has been authorised vide a resolution passed at the meeting of the Board of Directors dated January 12, 2023 read with resolution passed by the Board of Directors on December 24, 2021 pursuant to section 62(1)(a) and other applicable provisions of the Companies Act, 2013.

\*The Board of Directors of our Company in their meeting held on February 13, 2023 have approved an increase in the authorized share capital of our Company from ₹ 2,00,00,000/- divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 34,00,00,000 divided into 3,40,00,000 Equity Shares of ₹ 10/- each. The increase in the authorised share capital of our Company is subject to the approval of the Shareholders in the ensuing Extra Ordinary General Meeting scheduled to be held on March 22, 2023

### NOTES TO CAPITAL STRUCTURE

#### 1. Details of outstanding instruments

As on date of this Draft Letter of Offer, our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme. Further, it has not issued any convertible securities which are outstanding as of date of this Draft Letter of Offer.

#### 2. Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Amar Narendera Galla, the Promoter of our Company, and members of our Promoter Group have, *vide* his letters dated February 24, 2023 (the “**Subscription Letters**”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

The additional subscription by the promoter and promoter group shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

#### 3. Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations

- i. The shareholding pattern of our Company as on December 31, 2022, can be accessed on the website of



the BSE at: <https://www.bseindia.com/stock-share-price/enbee-trade--finance-ltd/enbetrd/512441/shareholding-pattern/>

- ii. Statement showing shareholding pattern of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2022 can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=512441&qtrid=116.00&QtrName=December%202022>
  - iii. Statement showing holding of Equity Shares of persons belonging to the category “Public” including shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2022 can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=512441&qtrid=116.00&QtrName=December%202022>
4. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●]/- per equity share.

**5. Details of shares locked-in, pledged, encumbrance by promoters and promoter group:**

As on date of this Draft Letter of Offer, none of the Equity Shares held by our Promoters or the members of our Promoter Group are pledged or otherwise encumbered.

**6. Details of specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the Draft Letter of Offer:**

Our Promoters and members of Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of the Draft Letter of Offer.

**7. Details of the shareholders holding more than 1% of the issued and paid-up Equity Share capital as last disclosed to the stock exchanges**

The details of shareholders of our Company holding more than 1% of the issued and paid -up Equity Share capital of our Company, as on December 31, 2022 are available at <https://www.bseindia.com/stock-share-price/enbee-trade--finance-ltd/enbetrd/512441/shareholding-pattern/>

8. At any given time, there shall be only one denomination of the Equity Shares of our Company.
9. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Equity Shares allotted pursuant to the Issue, shall be fully paid up.

## OBJECTS OF THE ISSUE

### The objects of the Issue are:

1. Repayment of unsecured loans availed by our Company from Promoter and Promoter Group of our Company; and
2. Augmentation of Capital Base of our Company;

(collectively, referred to hereinafter as the “**Objects**”)

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

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

### Details of objects of the Issue

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

<i>(₹ in lakhs)</i>	
<b>Particulars</b>	<b>Amount</b>
Gross Proceeds from the Issue*	4,800.00
Less: Issue related expenses**	[●]
<b>Net Proceeds from the Issue</b>	<b>[●]</b>

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

\*\*To be determined at the time of filing the Letter of Offer.

### Requirement of Funds and Utilisation of Net Proceeds

We intend to utilize the Net Proceeds as set forth in the following table:

<i>(₹ in lakhs)</i>	
<b>Particulars</b>	<b>Amount</b>
Repayment of unsecured loans availed by our Company from Promoter and Promoter Group of our Company	2,490.00
Augmentation of Capital Base	2,210.00
<b>Net proceeds from the Issue*</b>	<b>[●]</b>

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

### Means of Finance

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

### Schedule of Implementation and Deployment of Funds

Our Company proposes to deploy the entire Net Proceeds towards the Objects as described herein during Fiscal 2024.

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 and 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.

## Details of the Objects of the Issue

### 1. Repayment of unsecured loans availed by our Company from Promoter and Promoter Group of our Company

Our Company has availed unsecured loans from Promoter and Promoter Group of our Company. These unsecured loans were raised by our Company for the purpose of the business of the Company. Our Company intends to utilize ₹ 2,490 lakhs of the Net Proceeds towards repayment of the unsecured loans. The unsecured loans are repayable within 7 (seven) days of our Promoter and Promoter Group providing a written notice of demand to the Company. The following table provides details along with the terms on which the unsecured loans have been availed by our Company, as on January 31, 2023, which are proposed to be repaid from the Net Proceeds:-

Sr. No.	Name of the Promoter/Promoter Group	Outstanding unsecured loans as on January 31, 2023 (in ₹ lakhs)*	Purpose of availing unsecured loans	Interest rate (%) p.a.	Proposed repayment from Net Proceeds (₹ in lakhs)
1.	Amarr Narendra Galla	900	Business Activities	9%	900
2.	Amar Narendra Gala HUF	20	Business Activities	9%	20
3.	Bharat Thakarshi Mamania	25	Business Activities	9%	25
4.	Bharat Thakarshi Mamania HUF	20	Business Activities	9%	20
5.	Bharathi Narendra Gala	350	Business Activities	9%	350
6.	Narendra Bhavanji Gala HUF	30	Business Activities	9%	30
7.	Mehul Narendra Gala HUF	20	Business Activities	9%	20
8.	Meyhul Narendra Gaala	150	Business Activities	9%	150
9.	Neel Bharat Mamania	75	Business Activities	9%	75
10.	Neha Mehul Gala	150	Business Activities	9%	150
11.	Rekha Bharat Mamania	75	Business Activities	9%	75
12.	Samta Amar Gala	675	Business Activities	9%	675
	<b>Total</b>	<b>2,490</b>			<b>2,490</b>

\*Our Statutory auditors have provided a certificate dated February 28, 2023 confirmed the amount outstanding as Unsecured Loan as on January 31, 2023.

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.

### Interest of Promoters and Directors in the objects of the Issue

Our Promoter and Promoter Group has confirmed that an amount of ₹ 2,490 lakhs, which has been availed by our Company, in the nature of identified unsecured loans as per the details mentioned in the above table, is proposed to be adjusted towards the application money to be received by the Company, for the subscription to the Rights Equity Shares to be allotted in this Issue, from our Promoter and Promoter Group, to the extent of their entitlement, renunciation of entitlement in favor of the members of Promoter Group (if any) in the Issue and additional subscribed by them in the Rights Issue. Consequently, no fresh issue proceeds would be received by our Company to such an extent.

## 2. Augmentation of Capital Base:

We are a Non Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI. On April 20, 1998 our Company secured the registration as a Non Deposit accepting Non- Banking Financial Company with RBI bearing Registration Number: 13.00691. We are involved in the business of lending unsecured loans to body corporates and individuals. As on December 31, 2022 we have provided loans worth ₹ 3,409.00 lakhs to various body corporates and individuals.

Our Company proposes to utilise ₹ 2,210.00 lakhs from the Net Proceeds towards augmentation of capital base to meet our future capital requirements, which are expected to arise out of growth of our business and assets, including but not limited to expansion of the financing business and/or to provide for funding of fresh loans to our customers.

### Issue related expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The estimated Issue related expenses are as follows:

Particulars	Amount* (₹ In Lakhs)	As a percentage of total expenses*	As a percentage of Issue size*
Fees of the Lead Managers, Bankers to the Issue, Registrar to the Issue, Legal Advisor, Auditor's fees, including out of pocket expenses etc.	[●]	[●]	[●]
Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
Regulatory fees, filing fees, listing fees and other miscellaneous expenses	[●]	[●]	[●]
<b>Total estimated Issue expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*Amount will be finalized at the time of filing of the Letter of Offer and determination of Issue Price and other details.

### Interim use of funds

Pending utilization for the purposes described above, our Company intends to temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors. Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

### Appraisal and Bridge Financing Facilities

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

### Monitoring of utilization of funds

Since the Issue is for an amount not exceeding ₹10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of the Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

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

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchange on a

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

#### **Strategic or Financial Partners**

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

#### **Other Confirmations**

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter and Promoter Group, Directors, Associates or Key Managerial Personnel of our Company, except for the part of the Net Proceeds that will be utilized towards the repayment of unsecured loans availed by our Company from Promoter and Promoter Group of our Company and payments made in the ordinary course of business. There are no material existing or anticipated transactions.

## STATEMENT OF TAX BENEFITS

### Statement of possible special tax benefits available to the Company and its Shareholders

To

**The Board of Directors**

**Enbee Trade & Finance Limited**

B4/B5, Gods Gift CHS Ltd, N.M. Joshi Marg, Lower Parel,

Mumbai, Maharashtra, 400 013

(the “**Company**”)

And

**Saffron Capital Advisors Private Limited**

605, Center Point, Sixth Floor,

Andheri - Kurla Road, J.B. Nagar

Andheri (East), Mumbai - 400 059

(Saffron Capital Advisors Private Limited referred to as the “**Lead Manager**”)

Dear Sirs,

**Re: Proposed rights issue of equity shares of Rs. 10 each (the “Equity Shares”) of Enbee Trade & Finance Limited (the “Company” and such offering, the “Issue”).**

We report that, the enclosed statement in the Annexure, there is no special tax benefits under direct tax laws i.e. Income tax Rules, 1962 including amendments made by the Finance Act, 2023 (hereinafter referred to as “Income Tax Laws”), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India, under the respective tax laws of their country as on the signing date, for inclusion in the Draft Letter of Offer and Letter of Offer for the proposed rights issue of the Company to the existing shareholders which are available to the Company and its shareholders.

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.

The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company, and to the shareholders of the Company and are not exhaustive and also do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

Further, the preparation of the enclosed Statement and its contents was the responsibility of the management of the Company. We were 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 individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed Issue.

We have conducted our examination in accordance with the ‘*Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)*’ and ‘*Guidance Note on the Reports in Company Prospectuses (revised 2019)*’ (‘**the Guidance Notes**’) issued by the Institute of Chartered Accountants of India (‘**ICAI**’). The Guidance Notes require that we comply with ethical requirements of the *Code of Ethics* issued by the ICAI.

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

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

- the Company or the shareholders of the Company will continue to obtain these benefits in future; or
- the conditions prescribed for availing the benefits ,where applicable, have been / would be met with.

The contents of the enclosed Statement are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

This statement is solely for your information and not intended for general circulation or publication and is not to be reproduced or used for any other purpose without our prior written consent, other than for inclusion of extracts of this statement in the Draft Letter of Offer and Letter of Offer and submission of this statement to the Securities and Exchange Board of India, the stock exchanges where the Equity Shares of the Company are proposed to be listed, in connection with the proposed Issue, as the case may be.

Yours faithfully,  
For and on behalf of  
**Ambavat Jain & Associates LLP.**  
Firm Registration No. FRN 109681W

**Chirag Shah**  
Partner  
Membership No.: 125997  
Place: Mumbai  
Date: 28<sup>th</sup> February 2023  
UDINo.: 23125997BGZALA7749

**Encl.: aa**  
**CC:**

**T&S Law**  
Door Number 1202, Devika Towers, Ghaziabad – 201 017,  
Uttar Pradesh, India (Referred to as the **Legal Counsel**)

## ANNEXURE 1

### STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO ENBEE TRADE & FINANCE LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

#### I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as the "Act")

##### *1. Special tax benefits available to the Company under the Act*

N.A.

##### *2. Special tax benefits available to the shareholders under the Act*

N.A.

#### *Notes:*

a) The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b) The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

c) The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.

d) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e) In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

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



## ANNEXURE 2

### STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO ENBEE TRADE & FINANCE LIMITED (THE “COMPANY”) AND IT’S SHAREHOLDERS

**II. The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 (“GST Act”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”) (collectively referred to as “indirect tax”)**

*1) Special indirect tax benefits available to the Company under the Act*

N.A.

*2) Special indirect tax benefits available to the shareholders under the Act*

N.A.

**Notes:**

a) The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

b) The above statement covers only above-mentioned tax laws benefits and does not cover any income tax law benefits or benefit under any other law.

c) This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

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

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

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

#### **Global Industry Outlook**

Global growth is projected to fall from an estimated 3.4 percent in 2022 to 2.9 percent in 2023, then rise to 3.1 percent in 2024. The forecast for 2023 is 0.2 percentage point higher than predicted in the October 2022 World Economic Outlook (WEO) but below the historical (2000–19) average of 3.8 percent. The rise in central bank rates to fight inflation and Russia’s war in Ukraine continue to weigh on economic activity. The rapid spread of COVID-19 in China dampened growth in 2022, but the recent reopening has paved the way for a faster-than-expected recovery. Global inflation is expected to fall from 8.8 percent in 2022 to 6.6 percent in 2023 and 4.3 percent in 2024, still above pre-pandemic (2017–19) levels of about 3.5 percent.

The balance of risks remains tilted to the downside, but adverse risks have moderated since the October 2022 WEO. On the upside, a stronger boost from pent-up demand in numerous economies or a faster fall in inflation are plausible. On the downside, severe health outcomes in China could hold back the recovery, Russia’s war in Ukraine could escalate, and tighter global financing conditions could worsen debt distress. Financial markets could also suddenly reprice in response to adverse inflation news, while further geopolitical fragmentation could hamper economic progress.

In most economies, amid the cost-of-living crisis, the priority remains achieving sustained disinflation. With tighter monetary conditions and lower growth potentially affecting financial and debt stability, it is necessary to deploy macroprudential tools and strengthen debt restructuring frameworks. Accelerating COVID-19 vaccinations in China would safeguard the recovery, with positive cross-border spillovers. Fiscal support should be better targeted at those most affected by elevated food and energy prices, and broad-based fiscal relief measures should be withdrawn. Stronger multilateral cooperation is essential to preserve the gains from the rules-based multilateral system and to mitigate climate change by limiting emissions and raising green investment.

#### **Forces shaping the Outlook**

The global fight against inflation, Russia’s war in Ukraine, and a resurgence of COVID-19 in China weighed on global economic activity in 2022, and the first two factors will continue to do so in 2023.

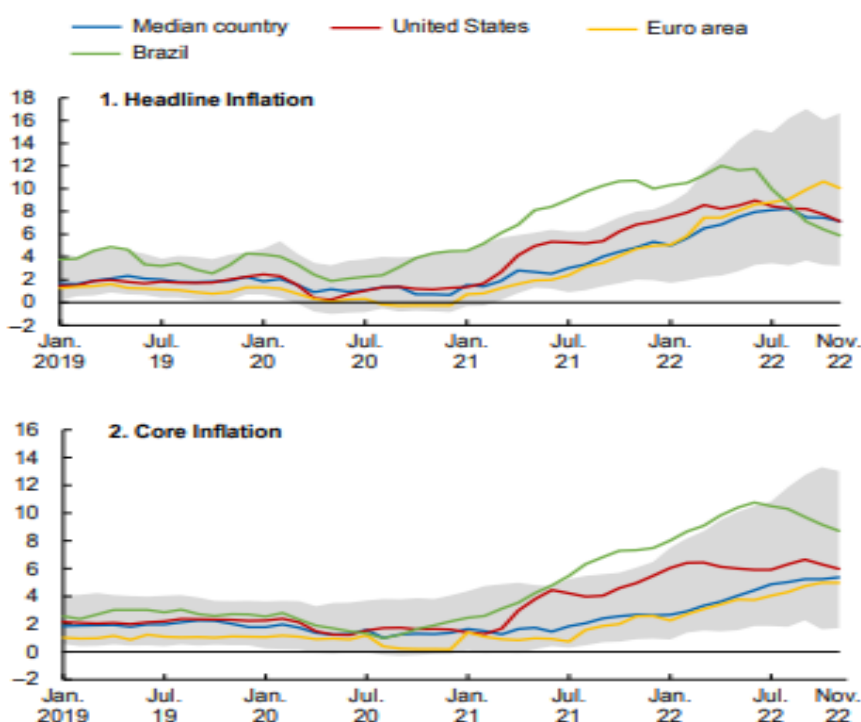
Despite these headwinds, real GDP was surprisingly strong in the third quarter of 2022 in numerous economies, including the United States, the euro area, and major emerging market and developing economies. The sources of these surprises were in many cases domestic: stronger-than-expected private consumption and investment amid tight labor markets and greater-than-anticipated fiscal support. Households spent more to satisfy pent-up demand, particularly on services, partly by drawing down their stock of savings as economies reopened. Business investment rose to meet demand. On the supply side, easing bottlenecks and declining transportation costs reduced pressures on input prices and allowed for a rebound in previously constrained sectors, such as motor vehicles. Energy markets have adjusted faster than expected to the shock from Russia’s invasion of Ukraine.

In the fourth quarter of 2022, however, this uptick is estimated to have faded in most—though not all—major economies. US growth remains stronger than expected, with consumers continuing to spend from their stock of savings (the personal saving rate is at its lowest in more than 60 years, except for July 2005), unemployment near historic lows, and plentiful job opportunities. But elsewhere, high-frequency activity indicators (such as business and consumer sentiment, purchasing manager surveys, and mobility indicators) generally point to a slowdown.

*COVID-19 deepens China's slowdown.* Economic activity in China slowed in the fourth quarter amid multiple large COVID-19 outbreaks in Beijing and other densely populated localities. Renewed lockdowns accompanied the outbreaks until the relaxation of COVID-19 restrictions in November and December, which paved the way for a full reopening. Real estate investment continued to contract, and developer restructuring is proceeding slowly, amid the lingering property market crisis. Developers have yet to deliver on a large backlog of presold housing, and downward pressure is building on house prices (so far limited by home price floors). The authorities have responded with additional monetary and fiscal policy easing, new vaccination targets for the elderly, and steps to support the completion of unfinished real estate projects. However, consumer and business sentiment remained subdued in late 2022. China's slowdown has reduced global trade growth and international commodity prices.

*Monetary policy starts to bite.* Signs are apparent that monetary policy tightening is starting to cool demand and inflation, but the full impact is unlikely to be realized before 2024. Global headline inflation appears to have peaked in the third quarter of 2022 (Figure 1). Prices of fuel and nonfuel commodities have declined, lowering headline inflation, notably in the United States, the euro area, and Latin America. But underlying (core) inflation has not yet peaked in most economies and remains well above pre-pandemic levels. It has persisted amid second-round effects from earlier cost shocks and tight labor markets with robust wage growth as consumer demand has remained resilient. Medium-term inflation expectations generally remain anchored, but some gauges are up. These developments have caused central banks to raise rates faster than expected, especially in the United States and the euro area, and to signal that rates will stay elevated for longer. Core inflation is declining in some economies that have completed their tightening cycle—such as Brazil. Financial markets are displaying high sensitivity to inflation news, with equity markets rising following recent releases of lower inflation data in anticipation of interest rate cuts (Box 1), despite central banks' communicating their resolve to tighten policy further. With the peak in US headline inflation and an acceleration in rate hikes by several non-US central banks, the dollar has weakened since September but remains significantly stronger than a year ago.

**Figure 1. Twin Peaks? Headline and Core Inflation**  
(Percent, year over year)



Sources: Haver Analytics; and IMF staff calculations.  
Note: The figure shows the developments in headline and core inflation across 18 advanced economies and 17 emerging market and developing economies. Core inflation is the change in prices for goods and services, but excluding those for food and energy (or the closest available measure). For the euro area (and other European countries for which the data are available), energy, food, alcohol, and tobacco are excluded. The gray bands depict the 10th to 90th percentiles of inflation across economies.

*Winter comes to Europe.* European economic growth in 2022 was more resilient than expected in the face of the large negative terms-of-trade shock from the war in Ukraine. This resilience—which is visible in consumption and investment data for the third quarter—partly reflects government support of about 1.2 percent of European Union GDP (net budgetary cost) to households and firms hit by the energy crisis, as well as dynamism from economies reopening. Gas prices have declined by more than expected amid higher non-Russian pipeline and liquefied natural gas flows, compression of demand for gas, and a warmer-than-usual winter. However, the boost from reopening appears to be fading. High-frequency indicators for the fourth quarter suggest that the manufacturing and services sectors are contracting. Consumer confidence and business sentiment have worsened. With inflation at about 10 percent or above in several euro area countries and the United Kingdom, household budgets remain stretched. The accelerated pace of rate increases by the Bank of England and the European Central Bank is tightening financial conditions and cooling demand in the housing sector and beyond.

## **The Forecast**

### **Growth Bottoming Out**

*Global growth*, estimated at 3.4 percent in 2022, is projected to fall to 2.9 percent in 2023 before rising to 3.1 percent in 2024 (Table 1). Compared with the October forecast, the estimate for 2022 and the forecast for 2023 are both higher by about 0.2 percentage point, reflecting positive surprises and greater-than-expected resilience in numerous economies. Negative growth in global GDP or global GDP per capita—which often happens when there is a global recession—is not expected. Nevertheless, global growth projected for 2023 and 2024 is below the historical (2000–19) annual average of 3.8 percent.

The forecast of low growth in 2023 reflects the rise in central bank rates to fight inflation—especially in advanced economies—as well as the war in Ukraine. The decline in growth in 2023 from 2022 is driven by advanced economies; in emerging market and developing economies, growth is estimated to have bottomed out in 2022. Growth is expected to pick up in China with the full reopening in 2023. The expected pickup in 2024 in both groups of economies reflects gradual recovery from the effects of the war in Ukraine and subsiding inflation. Following the path of global demand, world trade growth is expected to decline in 2023 to 2.4 percent, despite an easing of supply bottlenecks, before rising to 3.4 percent in 2024.

These forecasts are based on a number of assumptions, including on fuel and nonfuel commodity prices, which have generally been revised down since October, and on interest rates, which have been revised up. In 2023, oil prices are projected to fall by about 16 percent, while nonfuel commodity prices are expected to fall by, on average, 6.3 percent. Global interest rate assumptions are revised up, reflecting intensified actual and signaled policy tightening by major central banks since October.

For *advanced economies*, growth is projected to decline sharply from 2.7 percent in 2022 to 1.2 percent in 2023 before rising to 1.4 percent in 2024, with a downward revision of 0.2 percentage point for 2024. About 90 percent of advanced economies are projected to see a decline in growth in 2023.

For *emerging market and developing economies*, growth is projected to rise modestly, from 3.9 percent in 2022 to 4.0 percent in 2023 and 4.2 percent in 2024, with an upward revision of 0.3 percentage point for 2023 and a downward revision of 0.1 percentage point for 2024. About half of emerging market and developing economies have lower growth in 2023 than in 2022.

### **Inflation Peaking**

About 84 percent of countries are expected to have lower headline (consumer price index) inflation in 2023 than in 2022. Global inflation is set to fall from 8.8 percent in 2022 (annual average) to 6.6 percent in 2023 and 4.3 percent in 2024—above pre-pandemic (2017–19) levels of about 3.5 percent. The projected disinflation partly reflects declining international fuel and nonfuel commodity prices due to weaker global demand. It also reflects the cooling effects of monetary policy tightening on underlying (core) inflation, which globally is expected to decline from 6.9 percent in the fourth quarter of 2022 (year over year) to 4.5 percent by the fourth quarter of 2023. Still, disinflation will take time: by 2024, projected annual average headline and core inflation will, respectively, still be above pre-pandemic levels in 82 percent and 86 percent of economies.

In *advanced economies*, annual average inflation is projected to decline from 7.3 percent in 2022 to 4.6 percent in 2023 and 2.6 percent in 2024—above target in several cases. In *emerging market and developing economies*,

projected annual inflation declines from 9.9 percent in 2022 to 8.1 percent in 2023 and 5.5 percent in 2024, above the 4.9 percent pre-pandemic (2017–19) average. In *low-income developing countries*, inflation is projected to moderate from 14.2 percent in 2022 to 8.6 percent in 2024—still high, but close to the pre-pandemic average.

## Rise to the Outlook

The balance of risks to the global outlook remains tilted to the downside, with scope for lower growth and higher inflation, but adverse risks have moderated since the October 2022 World Economic Outlook.

**Table 1. Overview of the World Economic Outlook Projections**  
(Percent change, unless noted otherwise)

	Year over Year								
	Estimate		Projections		Difference from October 2022 WEO Projections 1/		Q4 over Q4 2/		
	2021	2022	2023	2024	2023	2024	2022	2023	2024
<b>World Output</b>	6.2	3.4	2.9	3.1	0.2	-0.1	1.9	3.2	3.0
<b>Advanced Economies</b>	5.4	2.7	1.2	1.4	0.1	-0.2	1.3	1.1	1.6
United States	5.9	2.0	1.4	1.0	0.4	-0.2	0.7	1.0	1.3
Euro Area	5.3	3.5	0.7	1.6	0.2	-0.2	1.9	0.5	2.1
Germany	2.6	1.9	0.1	1.4	0.4	-0.1	1.4	0.0	2.3
France	6.8	2.6	0.7	1.6	0.0	0.0	0.5	0.9	1.8
Italy	6.7	3.9	0.6	0.9	0.8	-0.4	2.1	0.1	1.0
Spain	5.5	5.2	1.1	2.4	-0.1	-0.2	2.1	1.3	2.8
Japan	2.1	1.4	1.8	0.9	0.2	-0.4	1.7	1.0	1.0
United Kingdom	7.6	4.1	-0.6	0.9	-0.9	0.3	0.4	-0.5	1.8
Canada	5.0	3.5	1.5	1.5	0.0	-0.1	2.3	1.2	1.9
Other Advanced Economies 3/	5.3	2.8	2.0	2.4	-0.3	-0.2	1.4	2.1	2.2
<b>Emerging Market and Developing Economies</b>	6.7	3.9	4.0	4.2	0.3	-0.1	2.5	5.0	4.1
Emerging and Developing Asia	7.4	4.3	5.3	5.2	0.4	0.0	3.4	6.2	4.9
China	8.4	3.0	5.2	4.5	0.8	0.0	2.9	5.9	4.1
India 4/	8.7	6.8	6.1	6.8	0.0	0.0	4.3	7.0	7.1
Emerging and Developing Europe	6.9	0.7	1.5	2.6	0.9	0.1	-2.0	3.5	2.8
Russia	4.7	-2.2	0.3	2.1	2.6	0.6	-4.1	1.0	2.0
Latin America and the Caribbean	7.0	3.9	1.8	2.1	0.1	-0.3	2.6	1.9	1.9
Brazil	5.0	3.1	1.2	1.5	0.2	-0.4	2.8	0.8	2.2
Mexico	4.7	3.1	1.7	1.6	0.5	-0.2	3.7	1.1	1.9
Middle East and Central Asia	4.5	5.3	3.2	3.7	-0.4	0.2	...	...	...
Saudi Arabia	3.2	8.7	2.6	3.4	-1.1	0.5	4.6	2.7	3.5
Sub-Saharan Africa	4.7	3.8	3.8	4.1	0.1	0.0	...	...	...
Nigeria	3.6	3.0	3.2	2.9	0.2	0.0	2.6	3.1	2.9
South Africa	4.9	2.6	1.2	1.3	0.1	0.0	3.0	0.5	1.8
<b>Memorandum</b>									
World Growth Based on Market Exchange Rates	6.0	3.1	2.4	2.5	0.3	-0.1	1.7	2.5	2.5
European Union	5.5	3.7	0.7	1.8	0.0	-0.3	1.8	1.2	2.0
ASEAN-5 5/	3.8	5.2	4.3	4.7	-0.2	-0.2	3.7	5.7	4.0
Middle East and North Africa	4.1	5.4	3.2	3.5	-0.4	0.2	...	...	...
Emerging Market and Middle-Income Economies	7.0	3.8	4.0	4.1	0.4	0.0	2.5	5.0	4.1
Low-Income Developing Countries	4.1	4.9	4.9	5.6	0.0	0.1	...	...	...
<b>World Trade Volume (goods and services) 6/</b>	10.4	5.4	2.4	3.4	-0.1	-0.3	...	...	...
Advanced Economies	9.4	6.6	2.3	2.7	0.0	-0.4	...	...	...
Emerging Market and Developing Economies	12.1	3.4	2.6	4.6	-0.3	0.0	...	...	...
<b>Commodity Prices</b>									
Oil 7/	65.8	39.8	-16.2	-7.1	-3.3	-0.9	11.2	-9.8	-6.9
Nonfuel (average based on world commodity import weights)	26.4	7.0	-6.3	-0.4	-0.1	0.3	-2.0	1.4	-0.2
<b>World Consumer Prices 8/</b>	4.7	8.8	6.6	4.3	0.1	0.2	9.2	5.0	3.5
Advanced Economies 9/	3.1	7.3	4.6	2.6	0.2	0.2	7.8	3.1	2.3
Emerging Market and Developing Economies 8/	5.9	9.9	8.1	5.5	0.0	0.2	10.4	6.6	4.5

Note: Real effective exchange rates are assumed to remain constant at the levels prevailing during October 26, 2022–November 23, 2022. Economies are listed on the basis of economic size. The aggregated quarterly data are seasonally adjusted. WEO = World Economic Outlook.

1/ Difference based on rounded figures for the current and October 2022 WEO forecasts. Countries whose forecasts have been updated relative to October 2022 WEO forecasts account for approximately 90 percent of world GDP measured at purchasing-power-parity weights.

2/ For World Output (Emerging Market and Developing Economies), the quarterly estimates and projections account for approximately 90 percent (90 percent) of annual world (emerging market and developing economies') output at purchasing-power-parity weights.

3/ Excludes the Group of Seven (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries.

4/ For India, data and projections are presented on a fiscal year basis, with FY 2022/23 (starting in April 2022) shown in the 2022 column. India's growth projections are 5.4 percent in 2023 and 6.8 percent in 2024 based on calendar year.

5/ Indonesia, Malaysia, Philippines, Singapore, Thailand.

6/ Simple average of growth rates for export and import volumes (goods and services).

7/ Simple average of prices of UK Brent, Dubai Fateh, and West Texas Intermediate crude oil. The average assumed price of oil in US dollars a barrel, based on futures markets (as of November 29, 2022), is \$81.13 in 2023 and \$75.38 in 2024.

8/ Excludes Venezuela.

9/ The inflation rate for the euro area is 5.7% in 2023 and 3.3% in 2024, that for Japan is 2.8% in 2023 and 2.0% in 2024, and that for the United States is 4.0% in 2023 and 2.2% in 2024.

*Upside risks*—Plausible upside risks include more favorable surprises to domestic spending—as in the third quarter of 2022—which, however, would increase inflation further. At the same time, there is room for an upside scenario with lower-than-expected inflation and less monetary tightening:

- *Pent-up demand boost*: Fueled by the stock of excess private savings from the pandemic fiscal support and, in many cases, still-tight labor markets and solid wage growth, pent-up demand remains an upside risk to the growth outlook. In some advanced economies, recent data show that households are still on net adding to their stock of excess savings (as in some euro area countries and the United Kingdom) or have ample savings left (as in the United States). This leaves scope for a further boost to consumption—particularly of services, including tourism. However, the boost to demand could stoke core inflation, leading to even tighter monetary policies and a stronger-than-expected slowdown later on. Pent-up demand could also fuel a stronger rebound in China.

- *Faster disinflation:* An easing in labor market pressures in some advanced economies due to falling vacancies could cool wage inflation without necessarily increasing unemployment. A sharp fall in the prices of goods, as consumers shift back to services, could further push down inflation. Such developments could imply a “softer” landing with less monetary tightening.

*Downside risks*—Numerous downside risks continue to weigh on the global outlook, lowering growth while, in a number of cases, adding further to inflation:

- *China’s recovery stalling:* Amid still-low population immunity levels and insufficient hospital capacity, especially outside the major urban areas, significant health consequences could hamper the recovery. A deepening crisis in the real estate market remains a major source of vulnerability, with risks of widespread defaults by developers and resulting financial sector instability. Spillovers to the rest of the world would operate primarily through lower demand and potentially renewed supply chain problems.
- *War in Ukraine escalating:* An escalation of the war in Ukraine remains a major source of vulnerability, particularly for Europe and lower-income countries. Europe is facing lower-than-anticipated gas prices, having stored enough gas to make shortages unlikely this winter. However, refilling storage with much-diminished Russian flows will be challenging ahead of next winter, particularly if it is a very cold one and China’s energy demand picks up, causing price spikes. A possible increase in food prices from a failed extension of the Black Sea grain initiative would put further pressure on lower-income countries that are experiencing food insecurity and have limited budgetary room to cushion the impact on households and businesses. With elevated food and fuel prices, social unrest may increase.
- *Debt distress:* Since October, sovereign spreads for emerging market and developing economies have modestly declined on the back of an easing in global financial conditions (Box 1) and dollar depreciation. About 15 percent of low-income countries are estimated to be in debt distress, with an additional 45 percent at high risk of debt distress and about 25 percent of emerging market economies also at high risk. The combination of high debt levels from the pandemic, lower growth, and higher borrowing costs exacerbates the vulnerability of these economies, especially those with significant near-term dollar financing needs.
- *Inflation persisting:* Persistent labor market tightness could translate into stronger-than-expected wage growth. Higher-than-expected oil, gas, and food prices from the war in Ukraine or from a faster rebound in China’s growth could again raise headline inflation and pass through into underlying inflation. Such developments could cause inflation expectations to de-anchor and require an even tighter monetary policy.
- *Sudden financial market repricing:* A premature easing in financial conditions in response to lower headline inflation data could complicate anti-inflation policies and necessitate additional monetary tightening. For the same reason, unfavorable inflation data releases could trigger sudden repricing of assets and increase volatility in financial markets. Such movements could strain liquidity and the functioning of critical markets, with ripple effects on the real economy.
- *Geopolitical fragmentation:* The war in Ukraine and the related international sanctions aimed at pressuring Russia to end hostilities are splitting the world economy into blocs and reinforcing earlier geopolitical tensions, such as those associated with the US-China trade dispute. Fragmentation could intensify—with more restrictions on cross-border movements of capital, workers, and international payments—and could hamper multilateral cooperation on providing global public goods.<sup>1</sup> The costs of such fragmentation are especially high in the short term, as replacing disrupted cross-border flows takes time.

[Source: *The International Monetary Fund, World Economic Outlook January, 2023*]

## **Indian Economy Overview**

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India’s recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months.

Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback.

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

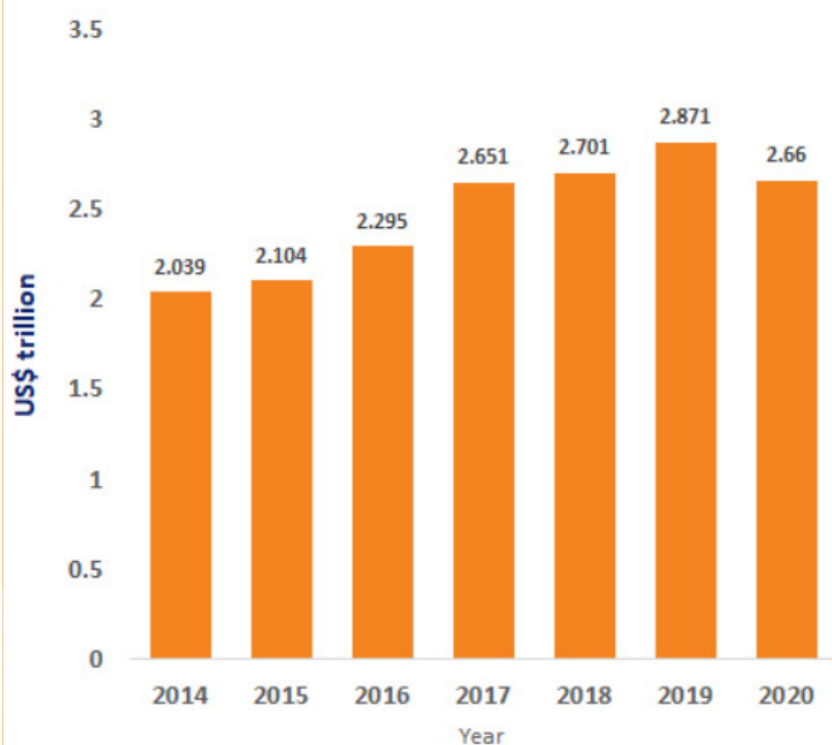
### **Market Size**

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

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

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

## India's Gross Domestic Production



### Recent Developments

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

- As of September 21, 2022, India's foreign exchange reserves stood at US\$ 524,520 million.
- The private equity-venture capital (PE-VC) sector investments stood at US\$ 2 billion in September 2022.
- Merchandise exports in September 2022 stood at US\$ 32.62 billion.
- PMI Services remained comfortably in the expansionary zone at 56.7 during April-September 2022
- In September 2022, the gross Goods and Services Tax (GST) revenue collection stood at Rs. 147,686 crore (US\$ 17.92 billion).
- Between April 2000-June 2022, cumulative FDI equity inflows to India stood at US\$ 604,996 million.
- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.



- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

### **Government Initiatives**

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

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.

**In June 2022:**

- Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
- The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.
- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources.

Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).

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

- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

### **Road Ahead**

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

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

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

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

### **Indian Outlook of Construction and Infrastructure Industry**

Infrastructure sector is a key driver for the Indian economy. The sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure sector includes power, bridges, dams, roads, and urban infrastructure development. In other words, the infrastructure sector acts as a catalyst for India's economic growth as it drives the growth of the allied sectors like townships, housing, built-up infrastructure and construction development projects.

In order to meet India's aim of reaching a US\$ 5 trillion economy by 2025, infrastructure development is the need of the hour. The government has launched the National Infrastructure Pipeline (NIP) combined with other initiatives such as 'Make in India' and the production-linked incentives (PLI) scheme to augment the growth of infrastructure sector. Historically, more than 80% of the country's infrastructure spending has gone toward funding for transportation, electricity, and water& irrigation.

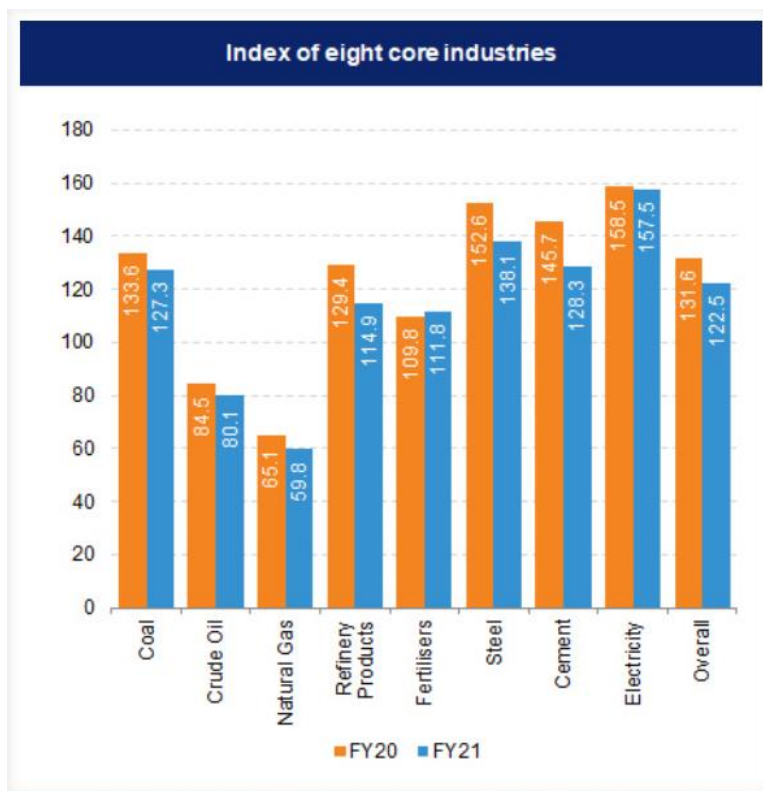
While these sectors still remain the key focus, the government has also started to focus on other sectors as India's environment and demographics are evolving. There is a compelling need for enhanced and improved delivery across the whole infrastructure spectrum, from housing provision to water and sanitation services to digital and transportation demands, which will assure economic growth, increase quality of life, and boost sectoral competitiveness.

### **Market Size**

India plans to spend US\$ 1.4 trillion on infrastructure through 'National Infrastructure Pipeline' in the next five years. In FY21, infrastructure activities accounted for 13% share of the total FDI inflows of US\$ 81.72 billion.

India will need to construct 43,000 houses every day until 2022 to achieve the vision of Housing for All by 2022. As of 22 August, 2022, 122.69 lakh houses have been sanctioned, 103.01 lakh houses have been grounded, and 62.21 lakh houses have been completed, under the Pradhan Mantri Awas Yojna scheme (PMAY-Urban).

Hundreds of new cities need to be developed over the next decade. Over the next 10 years, demand for urban freight is predicted to increase by 140%. Final-mile freight transit in Indian cities accounts for 50% of the total logistics expenditures in the country's increasing e-commerce supply chains. India is expected to become the third-largest construction market globally by 2022. Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over FY21-26 driven by spending on water supply, transport and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the 10th five year plan as against 9% in the 11th five year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by the India's planning commission during the 12th five year plan, with 40% of the funds coming from the private sector.



### Government Initiatives and Investments

Some of the recent government initiatives and investments in the Infrastructure sector are as follows:

- In Union Budget 2022-23:
  - The government has given a massive push to the infrastructure sector by allocating Rs. 10 lakh crore (US\$ 130.57 billion) to enhance the infrastructure sector.
  - The government allocated Rs. 134,015 crore (US\$ 17.24 billion) to National Highways Authority of India (NHAI).
  - The government announced an outlay of Rs. 60,000 crore (US\$ 7.72 billion) for the Ministry of Road Transport and Highways.
  - The government announced Rs. 76,549 crore (US\$ 9.85 billion) to the Ministry of Housing and Urban Affairs.
  - The government allocated Rs. 84,587 crore (US\$ 10.87 billion) to the Department of Telecommunications to create and augment telecom infrastructure in the country.
  - The total revenue expenditure by Railways is projected to be Rs. 234,640 crore (US\$ 30.48 billion)

- 100 PM-GatiShakti Cargo Terminals for multimodal logistics facilities will be developed over next three years.
- Focus was on the PM GatiShakti - National Master Plan for multimodal connectivity to economic zones. Everything, from roads to trains, from aviation to agriculture, as well as many ministries and departments, will be integrated under the PM GatiShakti National Master Plan.
- In September 2022, the government approved rail-cum-road bridge across Brahmaputra river near the existing Saraighat bridge at Guwahati at the cost of Rs. 996.75 crore (US\$ 122.27 million) which will be shared by NHAI & Ministry of Railways.
- In FY 2022-23 (until October 20, 2022), passenger earnings stood at Rs. 33,838.16 crore (US\$ 4.15 billion).
- In August 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highways laid foundation stone of six NH projects worth Rs. 2,300 crore (US\$ 287.89 million) in Indore, Madhya Pradesh.
- In FY23 (until September 2022), the combined index of eight core industries stood at 142.8 driven by the production of coal, refinery products, fertilizers, steel, electricity and cement industries.
- In June 2022 Mr. Nitin Gadkari, Minister of Road Transport and Highways inaugurated 15 National Highway projects in Patna and Hajipur in Bihar worth Rs. 13,585 crore (US\$ 1.75 billion)
- FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.22 billion and US\$ 28.64 billion, respectively, between April 2000-June 2022.
- In March 2022, Mr. Nitin Gadkari, Minister of Road Transport and Highway inaugurated 19 National Highway projects in Haryana and Rajasthan totaling Rs. 1,407 crore (US\$ 183.9 million).
- The government expanded the 'National Infrastructure Pipeline (NIP)' to 9,335 projects. 217 projects worth Rs. 1.10 lakh crore (US\$ 15.09 billion) were completed as of 2020.
- In November 2021, the Asian Development Bank (ADB) has approved a US\$ 250-million loan to support development of the National Industrial Corridor Development Programme (NICDP). This is a part of the US\$ 500-million loan to build 11 industrial corridors bridging 17 states.
- In November 2021, India, the US, Israel and the UAE established a new quadrilateral economic forum to focus on infrastructure development projects in the region and strengthen bilateral co-operation.
- The initiative 'Infrastructure for Resilient Island States' (launched in November 2021) will give India a huge opportunity to contribute to the betterment of other vulnerable countries in the world.
- In October 2021, the Union Cabinet of India approved the PM GatiShakti National Master Plan—including implementation, monitoring and support mechanism—for providing multi-modal connectivity.
- In October 2021, the Dubai government and India, inked an agreement to develop infrastructure such as industrial parks, IT towers, multipurpose towers, logistics centres, a medical college and a specialised hospital in Jammu & Kashmir.
- In FY22, government initiatives such the National Infrastructure Pipeline, National Monetisation Pipeline, Bharatmala Pariyojana, changes in the Hybrid Annuity Model (HAM) and fast pace of asset monetization to boost road construction.
- To encourage rooftop solar (RTS) throughout the country, notably in rural regions, the Ministry of New and Renewable Energy is undertaking Rooftop Solar Programme Phase II, which aims to install RTS capacity of 4,000 MW in the residential sector by 2022 with a provision of subsidy.
- In May 2021, Minister for Road Transport & Highways and Micro, Small and Medium Enterprises, Mr. Nitin Gadkari stated that the government is giving utmost priority to infrastructure development and has set a target of road construction of worth Rs.15 lakh crore (US\$ 206 billion) in the next two years.
- The Ministry of Railways plans to monetise assets including Eastern and Western Dedicated Freight Corridors after commissioning, induction of 150 modern rakes through PPP, station redevelopment through PPP, railway land parcels, multifunctional complexes (MFC), railway colonies, hill railways and stadiums.
- Mega Investment Textiles Parks (MITRA) scheme was launched to establish world-class infrastructure in the textile sector and establish seven textile parks over three years.
- The government announced Rs. 305,984 crore (US\$ 42 billion) over the next five years for a revamped, reforms-based and result-linked new power distribution sector scheme.

## Road Ahead

India's Infrastructure forms an integral part of the country's economic ecosystem. There has been a significant shift in the industry that is leading to the development of world-class facilities across the country in the areas of roads, waterways, railways, airports, and ports, among others. The country-wide smart cities programmes have proven to be industry game-changers. Given its critical role in the growth of the nation, the infrastructure sector has experienced a tremendous boom as a result of India's necessity and desire for rapid development. The expansion has been aided by urbanisation and an increase in foreign investment in the sector.

The infrastructure sector has become the biggest focus area for the Government of India. India plans to spend US\$ 1.4 trillion on infrastructure during 2019-23 to have a sustainable development of the country. The Government has suggested investment of Rs. 5,000,000 crore (US\$ 750 billion) for railways infrastructure from 2018-30. India's GDP is expected to grow by 8% over the next three fiscal years, one of the quickest rates among major, developing economies, according to S&P Global Ratings. India and Japan have joined hands for infrastructure development in India's Northeast states and are also setting up an India-Japan Coordination Forum for development of Northeast to undertake strategic infrastructure projects for the region.

India being a developing nation is set to take full advantage of the opportunity for the expansion of the infrastructure sector, and it is reasonable to conclude that India's infrastructure has a bright future ahead of it.

(Source: <https://www.ibef.org/industry/infrastructure-sector-india>)

## OUR BUSINESS

*Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read “Risk Factors” beginning on page 20, for a discussion of the risks and uncertainties related to those statements, as well as “Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 75 and 117, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Audited Financial Statements.*

Our Company was incorporated as “Enbee Trade & Finance Limited” on July 24, 1985 as a public limited company under the Companies Act, 1956 with the Registrar of Companies, Mumbai, Maharashtra and consequently a certificate of commencement of business dated August 6, 1985 was issued to our Company. The corporate identification number of our Company is L50100MH1985PLC036945. The Registered office of our Company is located at B4 /C5, Gods Gift CHS Ltd, N M Joshi Marg, Lower Parel, Mumbai-400013, Maharashtra, India.

We are a Non Deposit Accepting Non-Banking Financial Company (NBFC) registered with RBI to carry on the NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 13.00691 dated April 20, 1998. As the Company has been granted NBFC License by RBI, the Company’s business model is mainly centered on Loan activities i.e. granting of unsecured loans to body corporates and individuals. We need financial resources to fuel the growing demand and to seize the opportunities presented by the market from time to time. We have been in the business for the last 25 years. There are no holding as well as subsidiary companies of the Company.

The objects clause of our Memorandum of Association enables us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

In the year 2015, our Company has been taken over by new management and the present promoter Amarr Narendra Galla completed the acquisition of shares from erstwhile promoters of the Company pursuant to an Open Offer made under Regulation 3(1) and 4 of Securities and Exchange Board of India (Substantial Acquisitions of Shares and Takeovers) Regulations, 2011 which commenced on December 9, 2015 and expired on December 22, 2015. The settlement date was December 28, 2015. Post Open Offer shareholding of Amarr Narendra Galla was 50.72% of total equity share capital of the Company.

Our Company has allotted 1,20,050 Equity Shares to Mr. Amarr Narendra Galla on preferential basis on June 4, 2015. The Company has further allotted 6,90,000 and 5,45,000 Equity Shares on preferential basis to Promoter, Promoter Group and Non-Promoter individual investor including Persons acting in Concert (PAC) on March 31, 2016 and October 27, 2016 respectively.

We work under the guidance of our Chairman and Managing Director, Amarr Narendra Galla, who has knowledge in the field of financing activities and been associated with our Company since 2015. He has been instrumental in evolving our business operations, growth and future prospects.

Our standalone revenues from operations for Fiscals 2022, 2021 and 2020 were ₹ 363.71 lakhs, ₹ 195.39 lakhs and ₹ 85.95 lakhs, respectively. Our standalone EBITDA for the Fiscals 2022, 2021 and 2020 were ₹ 175.81 lakhs, ₹ 17.06 lakhs and ₹ (55.08) lakhs, respectively. Our standalone profit after tax for Fiscals 2022, 2021 and 2020 were ₹ 94.19 lakhs, ₹ 6.83 lakhs and ₹ (47.85) lakhs, respectively. Our loan portfolio as of December 31, 2022, is ₹ 3,409.00 lakhs.

An overview of loan portfolio as at December 31, 2022, March 31, 2022 and March 31, 2021 is as follows:

	(₹ in lakhs)		
Particulars	December 31, 2022	March 31, 2022	March 31, 2021
Loan to Related Parties	0	0	0
Other Loan and Advances	3,409.00	2,174.25	1,067.25

## DETAILS OF OUR MAJOR BUSINESS ACTIVITIES



As the Company has been granted NBFC License by RBI, the Company's business model is mainly centered on Loan activities i.e. granting of unsecured loans to body corporates and individuals. As on December 31, 2022 the loan portfolio of the Company is ₹ 3,409.00 lakhs.

## **OUR BUSINESS STRATEGY**

### ***Maintain and Expand Long-term Relationships with Clients***

The company believes in a conservative investment pattern and has committed client base for its services. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely. The Management of the Company is looking forward to achieve new heights on the corporate front with the new objects as adopted by the Company recently. There are no holding as well as subsidiary companies of the Company.

### ***Leveraging of our Marketing Skills and Relationships***

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts.

### ***Focus on customer services by efficient use of technology***

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

### ***Continue to focus on cost efficiency and improving productivity***

Increased competition has encouraged the players in our industry to find innovative ways to reduce cost and increase the overall efficiency. We intend to focus on keeping our operating costs low, which is critical for remaining profitable, by implementing measures to reduce our operating costs and improving our operational efficiencies.

### **Attract and retain experienced professionals**

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

### **Utilities & Infrastructure Facilities**

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

### **Collaborations**

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

### **Manpower**

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

**Competitors**

We face competition from organized as well as unorganized players in the domestic market. This industry is highly competitive. We have a number of competitors offering services similar to us. Even with a diversified product portfolio, quality approach and modern technology we may have to face competitive pressures. The principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a knowledge-based company with industry expertise in providing variety of quality services.

**Customers**

We cater to retail as well as institutional clients.

## OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

### Our Board of Directors

As per the Articles of Association and subject to the provisions of the Companies Act, our Company is required to have not less than three Directors and not more than twelve Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises 4 (four) Directors, of which 1 (one) Director is Managing Director, 1 (one) Director is Whole-time Director, who is also the woman Director of our Company and 2 (two) Directors are Independent Directors. Set forth below are details regarding our Board as on the date of this Draft Letter of Offer:

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Amarr Narendra Galla</b> <b>DIN:</b> 07138963 <b>Date of Birth:</b> July 7, 1980 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> 0403/4, Tower B, Ashok Tower, DR S S Rao Road Parel, Mumbai- 400 012, Maharashtra, India <b>Occupation:</b> Business <b>Term:</b> For a period of five years with effect from July 1, 2020 until June 30, 2025 <b>Nationality:</b> Indian	42	Nil
<b>Ssamta Amar Gaala</b> <b>DIN:</b> 07138965 <b>Date of Birth:</b> November 27, 1987 <b>Designation:</b> Whole-time Director <b>Address:</b> 0403/4, Tower B, Ashok Tower, DR S S Rao Road Parel, Mumbai- 400 012, Maharashtra, India <b>Occupation:</b> Business <b>Term:</b> For a period of five years with effect February 27, 2023, subject to approval of the Shareholders in the upcoming Extra-ordinary General Meeting. <b>Nationality:</b> Indian	35	Nil
<b>Akash Shailesh Gangar</b> <b>DIN:</b> 09079830 <b>Date of Birth:</b> September 9, 1990 <b>Designation:</b> Independent Director <b>Address:</b> C-21, Indraprastha Society, Near Sarvoday Nagar, Near Jain Mandir, Mulund (W) Mumbai- 400 080, Maharashtra, India <b>Occupation:</b> Business <b>Term:</b> For a period of five (05) years with effect from March 11, 2021 until March 10, 2026 <b>Nationality:</b> Indian	32	Nil

Name, DIN, Date of Birth, Designation, Address, Occupation, Term and Nationality	Age (years)	Other Directorships
<b>Jayesh Gulabbhai Patel</b>	43	Nil
<b>DIN:</b> 06942623		
<b>Date of Birth:</b> April 20, 1979		
<b>Designation:</b> Independent Director		
<b>Address:</b> 501/a, Vikas Tower Chsl, Society Road, Near Amboli Fatak, Next To Nikunj School, Andheri East, Mumbai – 400 069, Maharashtra, India.		
<b>Occupation:</b> Business		
<b>Term:</b> For a period of four (04) years with effect from March 11, 2021 until March 10, 2025		
<b>Nationality:</b> Indian		

### Confirmations

- None of our 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 Draft Letter of Offer, during the term of his/ her directorship in such company.
- Further, 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 ten years from the date of this Draft Letter of Offer.

### Our Key Managerial Personnel and senior management

In addition to our Managing Director and Whole Time Director, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Draft Letter of Offer:

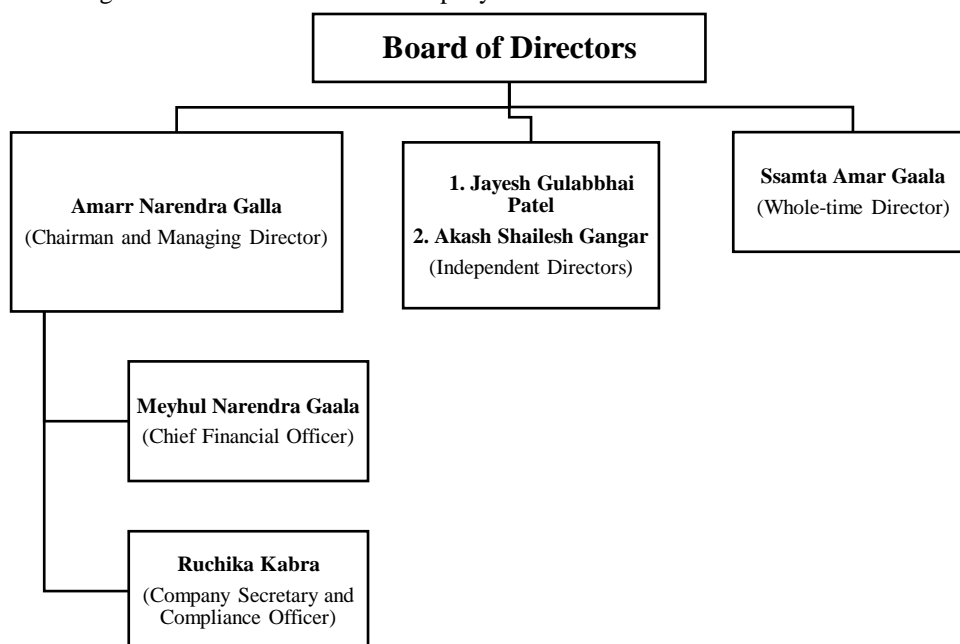
**Meyhul Narendra Gaala**, aged 44 years, is the Chief Financial Officer of our Company. He has been associated with our Company since November 12, 2016 in the capacity of a Chief Financial Officer.

**Ruchika Kabra**, aged 28 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since July 22, 2022 in the capacity of a Company Secretary and Compliance Officer.

All our Key Managerial Personnel are permanent employees of our Company. Except for our Chief Financial Officer and Company Secretary and Compliance Officer, there is no other senior management in our Company.

### Management Organization Structure

Set forth is the organization structure of our Company:



## SECTION V – FINANCIAL INFORMATION

### FINANCIAL INFORMATION

<b>S. No.</b>	<b>Details</b>	<b>Page Number</b>
1.	Unaudited Limited Reviewed Financial Statements for the nine months period ended December 31, 2022.	76
2.	Audited Financial Statements as at and for the years ended March 31, 2022.	81

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**Independent Auditors' Review Report on the Quarterly and Year to date Unaudited Financial Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**To,**

**THE BOARD OF DIRECTORS**

**ENBEE TRADE & FINANCE LTD**

1. We have reviewed the accompanying **Statement of Unaudited Financial Results** of ENBEE TRADE & FINANCE LIMITED (the 'Company'), for the quarter ended December 31, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Regulation').
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 (the 'Act'), read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free from material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedure performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards specified under Section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information

required to be disclosed in terms of Regulation 33 of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Ambavat Jain & Associate LLP**

Chartered Accountants

Firm Registration No.: 109681W

C. Ashu.



**Chirag Shah**

Partner

Membership No:125997

UDIN: 23125997BGZAKT7930

Place: Mumbai

Date: 07-02-2023

**ENBEE TRADE AND FINANCE LTD.**

CIN No: L50100MH1985PLC036945

REGD. Office: B4/C5, Gods Gift Chs Ltd., N.M. Joshi Marg, Lower Parel, Mumbai 400013.

Ph: 022-24965566, Fax: 022-24965566

Email ID:enbeetrade@gmail.com; Website: www.enbeetrade.com

February 07, 2023

To,  
The BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400 001

Re: BSE Code – 512441

**Subject: Outcome of Board Meeting of Enbee Trade and Finance Limited ("the Company") held on February 07, 2023.**

Pursuant to Regulation 33 of SEBI (Listing Obligation And Disclosure Requirement) Regulation, 2015, we would like to inform your good office that the Board of Directors of the Company at their meeting held on **February 07, 2023**, has approved the Standalone Un-Audited Financial Results for the Quarter ended December 31, 2022, along with the Limited Review Report as on that date.

We are hereby enclosing the Standalone Unaudited Financial Results along with the Limited Review Report for the Quarter that ended on December 31, 2022.


The meeting of the Board of Directors of the Company commenced at 12:30 p.m. and concluded at 1:00 p.m.

Request you kindly take this letter on record and acknowledge the receipt.

Thanking You

Yours truly,  
For Enbee Trade and Finance Limited



  
Amarr Narendra Galla  
Managing Director  
DIN: 07138963



**ENBEE TRADE AND FINANCE LIMITED**

CIN No: L50100MH1985PLC036945

B4/C5, Gods Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai - 400013

Ph: 022-24965566, Fax: 022-24965566, Email Id:enbeetrade@gmail.com; Website: www.enbeetrade.com

**Statement of standalone unaudited financial results for the quarter ended 31st December, 2022**

*Rs. In Lakhs*

Particulars	Quarter Ended			Nine Months Ended		Year Ended 31 March 2022 (Audited)
	31st December 2022 (Unaudited)	30th September 2022 (unaudited)	31st December 2021 (Unaudited)	31st December 2022 (Unaudited)	31st December 2021 (Unaudited)	
<b>A. REVENUE FROM OPERATION</b>						
Interest Income	125.11	248.70	115.32	551.08	232.41	363.71
Finance Income	125.11	248.70	115.32	551.08	232.41	363.71
<b>B. OTHER INCOME</b>	-	-0.07	-	-	-	0.27
<b>Total Revenue</b>	<b>125.11</b>	<b>248.63</b>	<b>115.32</b>	<b>551.08</b>	<b>232.41</b>	<b>363.98</b>
<b>EXPENSES:</b>						
Employee Benefits Expense	58.84	52.10	33.90	160.00	127.20	177.77
Finance Cost	30.24	29.61	10.50	82.12	10.50	40.92
Impairment of Financial Instrument (ECL)	20.97	65.79	-	89.82	-	-58.42
Depreciation, Amortisation, Impairment	1.17	1.10	0.00	3.49	0.01	4.40
Other Expenses	10.99	1.25	15.02	14.74	23.93	68.82
<b>Total Expenses</b>	<b>122.21</b>	<b>149.85</b>	<b>59.42</b>	<b>350.17</b>	<b>161.64</b>	<b>233.49</b>
<b>Profit before Extra Ordinary Items</b>	<b>2.90</b>	<b>98.78</b>	<b>55.90</b>	<b>200.91</b>	<b>70.77</b>	<b>130.49</b>
Extra Ordinary Items	-	-	-	-	-	-
<b>Profit before Tax</b>	<b>2.90</b>	<b>98.78</b>	<b>55.90</b>	<b>200.91</b>	<b>70.77</b>	<b>130.49</b>
Less: Tax Expense:						
Current Tax	-4.11	24.43	16.02	46.11	30.28	36.69
MAT Credit	-	-	-	-	-	-
Excess/Short Provision for earlier period	-0.13	-	-0.01	-0.13	-0.02	-0.39
Deferred Tax	-	-	-	-	-	-
Less: Tax Expense:	<b>-4.25</b>	<b>24.43</b>	<b>16.01</b>	<b>45.98</b>	<b>30.26</b>	<b>36.30</b>
Less: Share of profit / (loss) of associates	-	-	-	-	-	-
<b>Profit for the Year</b>	<b>7.15</b>	<b>74.35</b>	<b>39.89</b>	<b>154.93</b>	<b>40.51</b>	<b>94.19</b>
<b>OTHER COMPREHENSIVE INCOME:</b>	-	-	-	-	-	-




*Ames*

Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	-
Total Comprehensive Income for the year Net of Tax	7.15	74.35	39.89	154.93	40.51	94.19	-
<b>Basic &amp; Diluted Earning per Equity Share [EPS]</b>							
Basic	0.45	4.65	2.49	9.68	2.53	5.89	5.89
Diluted	0.45	4.65	2.49	9.68	2.53	5.89	5.89
Paid-up Equity Share capital(Face Value Rs.10/-)							
Paid-up Equity Share capital (Face Value Rs. 10/-)	160.01	160.01	160.01	160.01	160.01	160.01	160.01

**Notes**

- 1 The above Unaudited results were reviewed by the Audit Committee and thereafter approved by the Board of Directors in its meeting held on 7th February,
- 2 The above financial results for the quarter ended on December 31, 2022 have been drawn from financial statements prepared in accordance with Indian Accounting Standards 34 on 'Interim Financial Reporting'.
- 3 The financial results for the quarter ended December 31, 2022 have been arrived at after considering necessary provisions for expected credit losses
- 4 The company is operating under one segment hence segment reporting is not required.
- 5 The above Quarterly Financial Results filed with the Stock Exchange under Regulation 33 of the SEBI (LODR) Regulations, 2015. The same is available on stock exchange website i.e. (www.bseindia.com) and also at the Company's website viz www.enbeetrade.com.
- 6 Previous period figures have been regrouped/ reclassified wherever necessary.

For and on behalf of the Board of Directors of  
Enbee Trade and Finance Limited

  
Amar Gala  
Managing Director  
DIN: 07138963  
Mumbai :



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF ENBEE TRADE AND FINANCE LIMITED**

**Opinion**

We have audited the accompanying Standalone Financial Statements of **Enbee Trade and Finance Limited** ("the Company"), which comprise the standalone Balance Sheet as at 31<sup>st</sup> March 2022, and the standalone Statement of Profit and Loss (including other comprehensive income), standalone Statement of Changes in Equity and standalone statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of this Interim Standalone Financial Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Interim Standalone Financial Statement section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the independence requirements that are relevant to our audit of the Interim Standalone Financial Statement under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

**Key audit matters**

Key audit matters as per SA 701 are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statement of the current period. These matters were addressed in the context of our audit of the Financial Statement as a whole, and in forming our Opinion thereon, and we do not provide a separate opinion on these matters.

**Description of key audit matters:**

<b>Key audit matter</b>	<b>How the matter was addressed in our audit</b>
<b>Impairment of loans and advances to customers Subjective estimate</b>	
Recognition and measurement of impairment of loans and advances involve significant management judgement.  Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) Model. The Company's impairment allowance is derived from estimates	Our audit procedures included: <ul style="list-style-type: none"><li>• Evaluation of the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding and industry practice.</li><li>• Assessing design and implementation of key internal financial controls over loan</li></ul>

<p>including the historical default and loss ratios, current economic condition and forward-looking information.</p> <p>Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are:</p> <ul style="list-style-type: none"><li>- Loan staging criteria</li><li>- Calculation of probability of default / Loss given default</li><li>- Determination of exposure at default</li><li>- Consideration of forward looking macro-economic factors</li><li>- Complexity of disclosures</li></ul> <p>There are many data inputs required by the ECL model.</p> <p>This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.</p>	<p>impairment process used to calculate the impairment charge.</p> <ul style="list-style-type: none"><li>• Understanding management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package.</li><li>• Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19.</li><li>• Testing of review controls over measurement of impairment allowances and disclosures in financial statements.</li></ul>
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#### **Information Other than the Standalone Financial Statements and Auditors' Report Thereon**

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

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

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

#### **Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the

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preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

- A.** As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- B. As required by Section 143(3) of the Act, we report that:**
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- C. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,**

In our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. a. The Management has represented that, to the best of its knowledge and belief, no

funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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.

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid dividend during the year.

**For Ambavat Jain And Associates LLP**

Chartered Accountants

Firms Registration No:109681W

*C. Ashu.*



**Chirag Shah**

Partner

Membership No:125997

UDIN: 22125997AJWUNW1819

Place: Mumbai

Date: 30<sup>th</sup> May, 2022

**ENBEE TRADE AND FINANCE LIMITED**

CIN No: L50100MH1985PLC036945

B4/C5, Gods Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai - 400013

Ph: 022-24965566, Fax: 022-24965566, Email Id:enbeetrade@gmail.com; Website: www.enbeetrade.com

**Balance Sheet as at 31 March 2022**

(Currency: INR in Lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1. Financial assets</b>			
(a) Cash and cash equivalents	2	4.36	3.49
(b) Loans	3	2,194.20	965.53
(c) Other Financial assets	4	2.00	1.72
<b>Total financial assets</b>		<b>2,200.56</b>	<b>970.74</b>
<b>2. Non-financial assets</b>			
(a) Deferred tax Assets (Net)	5	28.62	36.12
(b) Property, Plant and Equipment	6	0.05	4.46
<b>Total non-financial assets</b>		<b>28.67</b>	<b>40.58</b>
<b>Total Assets</b>		<b>2,229.23</b>	<b>1,011.32</b>
<b>LIABILITIES AND EQUITY</b>			
<b>A. LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Borrowings (other than debt securities)	7	1,065.00	-
(b) Other financial liabilities	8	2.81	8.76
<b>Total Financial Liabilities</b>		<b>1,067.81</b>	<b>8.76</b>
<b>2. Non-Financial Liabilities</b>			
(a) Current tax liabilities (Net)	9	54.85	8.83
(b) Provisions	10	26.52	-
(c) Other Non-financial liabilities	11	37.47	45.34
<b>Total non-financial Liabilities</b>		<b>118.84</b>	<b>54.17</b>
<b>B. EQUITY</b>			
(a) Equity Share capital	12	160.01	160.01
(b) Other Equity	13	882.57	788.38
<b>Total equity</b>		<b>1,042.58</b>	<b>948.39</b>
<b>Total liabilities and equity</b>		<b>2,229.23</b>	<b>1,011.32</b>

See accompanying notes to the financial statements

As per our report of even date attached

**For Ambavat Jain & Associates LLP**

Chartered Accountants

Firm's Registration No.: 109681W

*C. Shah*  


**Chirag Shah**

Partner

Membership No. : 125997

Mumbai : 30th May, 2022

UDIN : 22125997AJWUNW1819



**For and on behalf of the Board of Directors of  
Enbee Trade and Finance Limited**

*Manoj*  
 Managing Director

Mumbai : 30th May, 2022

*MHA*  
 Chief Financial Officer

Mumbai : 30th May, 2022

*Ruchika*  
 Ruchika Kabra - company Secretary

Mem No : 67295



**ENBEE TRADE AND FINANCE LIMITED**

CIN No: L50100MH1985PLC036945

B4/C5, Gods Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai - 400013

Ph: 022-24965566, Fax: 022-24965566, Email Id:enbeetrade@gmail.com; Website: www.enbeetrade.com

**Statement of Profit and Loss for the year ended 31 March 2022**

(Currency: INR in Lakhs)

Particulars	Note	Year Ended 31 March 2022 (Audited)	Year Ended 31 March 2021 (Audited)
<b>i. Revenue from operations</b>			
Interest Income	14	363.71	195.39
<b>Total revenue from operations</b>		<b>363.71</b>	<b>195.39</b>
<b>ii. Other Income</b>	15	0.27	0.23
<b>I. Total income (i + ii)</b>		<b>363.98</b>	<b>195.62</b>
<b>II. Expenses:</b>			
(a) Finance Cost	16	40.92	3.17
(b) Impairment of Financial Instrument (ECL)		(58.42)	70.28
(c) Employee Benefits Expense	17	177.77	92.48
(d) Depreciation and amortization	6	4.40	4.43
(e) Other expenses	18	68.82	15.80
<b>Total Expenses</b>		<b>233.49</b>	<b>186.16</b>
<b>III. Profit before Extra Ordinary Items (I-II)</b>		<b>130.49</b>	<b>9.46</b>
Extra Ordinary Items		-	-
<b>IV. Profit before Tax</b>		<b>130.49</b>	<b>9.46</b>
Current Tax	19	36.69	20.00
Deferred Tax	19	(0.39)	(17.37)
<b>V. Total tax expense</b>		<b>36.30</b>	<b>2.63</b>
<b>VI. Net profit after tax (IV-V)</b>		<b>94.19</b>	<b>6.83</b>
<b>Other comprehensive income</b>			
(a) Items that will not be reclassified to profit or loss		-	-
(b) Items that will be reclassified to profit or loss		-	-
<b>VII. Other comprehensive income</b>		-	-
<b>VIII. Total Comprehensive Income (VI + VII)</b>		<b>94.19</b>	<b>6.83</b>
<b>IX. Earning per Equity Share [EPS]</b>	20		
(a) Basic (in ₹)		5.89	0.43
(b) Diluted (in ₹)		5.89	0.43
Paid-up Equity Share capital(Face Value ₹ 10/-)			
Significant accounting policies			

**The accompanying Notes are an integral part of the financial statements**

As per our report of even date attached

**For Ambavat Jain & Associates LLP**

Chartered Accountants

Firm's Registration No.: 109681W

**Chirag Shah**

Partner

Membership No. : 125997

Mumbai:

UDIN : 22125997AJWUNW1819

**For and on behalf of the Board of Directors of  
Enbee Trade and Finance Limited**

Managing Director

Mumbai : 30th May, 2022

Chief Financial Officer

Mumbai : 30th May, 2022

Ruchika Kabra - Company Secretary

Mgt No : 67295

**Statement of Changes in Equity for the year ended 31 March 2022**  
 (Currency: INR in Lakhs)

Particulars	31 March 22		31 March 21	
	Number	Rs.	Number	Rs.
Shares outstanding at beginning of year	16	160.01	16	160.01
Shares issued during year	-	-	-	-
Shares bought back during year	-	-	-	-
Shares outstanding at end of year	16	160.01	16	160.01

Particulars	Reserves & Surplus				Total Reserve
	Securities premium	Statutory Reserve	Retained Earnings	Total	
	I	II	III	I+II+III	
Balance as at April 01, 2021	542.02	46.01	200.35	788.38	788.38
Profit For the year	-	-	94.19	94.19	94.19
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>542.02</b>	<b>46.01</b>	<b>294.54</b>	<b>882.57</b>	<b>882.57</b>
Transfer to Reserve Fund U/S 45-1C (1) Of Reserve Bank Of India Act, 1934	-	-	-	-	-
Changes for the year	542.02	46.01	294.54	882.57	882.57
Balance at March 31, 2022	542.02	46.01	200.35	788.38	788.38

Balance as at April 01, 2020	542.02	46.01	193.52	781.55	781.55
Profit For the year	-	-	6.83	6.83	6.83
Other Comprehensive Income/(Loss) for the year	-	-	-	-	-
<b>Total Comprehensive Income</b>	<b>542.02</b>	<b>46.01</b>	<b>200.35</b>	<b>788.38</b>	<b>788.38</b>
Transfer to Reserve Fund U/S 45-1C (1) Of Reserve Bank Of India Act, 1934	-	-	-	-	-
Changes for the year	-	-	-	-	-
Balance at March 31, 2021	542.02	46.01	200.35	788.38	788.38

As per our report of even date attached  
 For Ambavat Jain & Associates LLP  
 Chartered Accountants  
 Firm's Registration No.: 109681W

For and on behalf of the Board of Directors of  
 Enbee Trade and Finance Limited

Chirag Shah  
 Partner  
 Membership No. : 125997  
 Mumbai: 30th May, 2022  
 UDIN:2125997AJWUNW1819



Managing Director  
 Mumbai: 30th May, 2022

Chief Financial Officer  
 Mumbai: 30th May, 2022

Director  
 Mumbai: 30th May, 2022

Company Secretary  
 Mumbai: 30th May, 2022



**ENBEE TRADE AND FINANCE LIMITED**

CIN No: L50100MH1985PLC036945

B4/C5, Gods Gift Chs Ltd, N M Joshi Marg, Lower Parel, Mumbai - 400013

Ph: 022-24965566, Fax: 022-24965566, Email Id:enbeetrade@gmail.com; Website: www.enbeetrade.com

**Cash Flow Statement for the year ended 31 March 2022**

(Currency: INR in Lakhs)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
<b>A Cash flow from operating activities</b>		
<b>Net Profit before Taxation</b>	<b>130.49</b>	<b>9.46</b>
Adjustments to reconcile profit before tax to net cash flows :		
Depreciation & amortisation	4.40	4.43
Interest on Financial Instruments	0.27	0.23
Finance Cost	40.92	3.17
Impairment Provision per ECL	-58.42	70.28
<b>Cash generated from operations before working capital changes</b>	<b>117.66</b>	<b>87.57</b>
Adjustments for:		
(Increase)/ Decrease in trade receivables	(1,211.45)	(89.25)
(Increase)/ Decrease in Loans and Advances	(7.87)	6.41
Increase/ (Decrease) in Current Liabilities	(1,219.32)	4.73
Cash Generated from Operations	(17.24)	2.99
Income Tax Paid	(1,202.08)	1.74
<b>Net cash flows from/(used in) operating activities</b>	<b>(1,202.08)</b>	<b>1.74</b>
<b>B Cash Flow from Investing Activities:</b>		
Purchase of Fixed Assets / Recognition of ROU Asset	(0.01)	(0.02)
<b>Net cash flows from/(used in) investing activities</b>	<b>(0.01)</b>	<b>(0.02)</b>
<b>C Cash Flow from Financial Activities:</b>		
Cash flow from borrowings & other Financial Liabilities	1,085.57	-
Interest on Financial Instruments	-0.27	-
<b>Net cash flows from/(used in) financing activities</b>	<b>1,085.30</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>0.87</b>	<b>1.72</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>3.49</b>	<b>1.77</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>4.36</b>	<b>3.49</b>
<b>Net Inflow</b>	<b>0.87</b>	<b>1.72</b>

**Note:**

- 1 Cash and cash equivalents comprise of cash on hand and balances with bank in current accounts.
- 2 Cash flows arising on account of taxes on income are not specifically bifurcated with respect to investing & financing activities.
- 3 Previous year's figures have been regrouped, wherever necessary to confirm to current year's classification.
- 4 Figures in brackets represent outflow
- 5 The above Cash Flow Statement has been prepared under the 'Indirect method' as set out in the Ind AS - 7 Statement of Cash Flow.

As per our report of even date attached

**For Ambavat Jain & Associates LLP**

Chartered Accountants

Firm's Registration No.: 109681W

**Chirag Shah**

Partner

Membership No. : 125997

Mumbai: 30th May, 2022

UDIN : 22125997AJWUNW1819

**For and on behalf of the Board of Directors of  
Enbee Trade and Finance Limited**

Managing Director

Mumbai : 30th May, 2022

Chief Financial Officer

Mumbai : 30th May, 2022

Ruchika Kabra - company Secretary

Mem No : 67295

**ENBEE TRADE AND FINANCE LIMITED**

Notes to the Financial statements as at ended 31st March 2022

(Currency: INR in Lakhs)

Note No	Particulars	As at March 31, 2022	As at March 31, 2021
<b>2</b>	<b><u>Cash &amp; Cash Equivalents</u></b>		
	Cash on hand	0.50	0.50
	Balances with banks: In Current Account	3.86	2.99
		<b>4.36</b>	<b>3.49</b>
<b>3</b>	<b><u>Loans</u></b>		
	Term Loans(Unsecured)	2,174.25	1,067.25
	Accrued Interest	105.23	40.32
	<b>Gross Loans</b>	<b>2,279.48</b>	<b>1,107.57</b>
	<b>Less : Impairment loss Allowance</b>	<b>85.28</b>	<b>142.04</b>
	Stage 1	39.42	8.40
	Stage 2	45.86	16.58
	Stage 3		117.06
	<b>Net Loans</b>	<b>2,194.20</b>	<b>965.53</b>
<b>3. a</b>	Unsecured loan (Gross)	<b>2,279.48</b>	<b>1,107.57</b>
	<b>Less : Impairment loss Allowance</b>	<b>85.28</b>	<b>142.04</b>
	Stage 1	39.42	8.40
	Stage 2	45.86	16.58
	Stage 3		117.06
	<b>Net Total</b>	<b>2,194.20</b>	<b>965.53</b>
<b>3. b</b>	Loans in India		
	Public Sector		
	Others (Individuals)	2,279.48	1,107.57
	<b>Total Gross</b>	<b>2,279.48</b>	<b>1,107.57</b>
	<b>Less : Impairment loss Allowance</b>	<b>85.28</b>	<b>142.04</b>
	Stage 1	39.42	8.40
	Stage 2	45.86	16.58
	Stage 3		117.06
	<b>Net Total</b>	<b>2,194.20</b>	<b>965.53</b>
	During the current and prior reporting periods, there was no change in the business model under which the company holds financial assets and therefore and no reclassifications where made		
	Loans Given to related parties as on March 31, 2022 is Rs. NIL ( as on March 31, 2021 is Rs.NIL)		
<b>4</b>	<b><u>Other Financial assets</u></b>		
	Security deposits - unsecured; considered good	2.00	1.72
		<b>2.00</b>	<b>1.72</b>
<b>5</b>	<b><u>Deferred Tax Asset (Net)</u></b>		
	Temporary Differences Attributable to:		
	Property,Plant and Equipments	0.10	0.15
	Expected Credit Loss on Loan Assets	28.52	35.97
	<b>Deferred Tax Asset / (Liability) - Net</b>	<b>28.62</b>	<b>36.12</b>
<b>7</b>	<b><u>Borrowings (other than debt securities) - at amortised cost</u></b>		
	Loan from Related parties	1,065.00	-
		<b>1,065.00</b>	<b>-</b>
	Terms and Conditions of loans : Repayable on Demand		
	Rate of interest : 9%		
<b>8</b>	<b><u>Other financial liabilities</u></b>		
	Lease Liability - Refer Note 21	(0.03)	3.54
	Interest payable	2.84	
		<b>2.81</b>	<b>3.54</b>
<b>9</b>	<b><u>Current Tax Liabilities (Net)</u></b>		
	Provision for income tax (Net of advance tax)	54.85	8.83
		<b>54.85</b>	<b>8.83</b>
<b>10</b>	<b><u>Provisions</u></b>		
	Provision for Expenses	26.52	5.22
		<b>26.52</b>	<b>5.22</b>
<b>11</b>	<b><u>Other Non-Financial Liabilities</u></b>		
	Liability for expenses		21.84
	Statutory dues	37.46	23.49
		<b>37.46</b>	<b>45.33</b>



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

Note No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
14	<b>Interest Income on Loans</b> <b>On financial assets measured at amortised cost</b> Interest Income on Loans	363.71	195.39
		<b>363.71</b>	<b>195.39</b>
15	<b>Other Income</b> Finance Income - Lease Deposit	0.27	0.23
		<b>0.27</b>	<b>0.23</b>
16	<b>Finance cost</b> Interest Finance Cost on Leases	37.29 3.63	- 3.17
		<b>40.92</b>	<b>3.17</b>
17	<b>Employee Benefit Expenses</b> Salaries and wages	177.77	92.48
		<b>177.77</b>	<b>92.48</b>
18	<b>Other Expenses</b> Auditors Remuneration - For Audit ( Refer Note 34) - Other Services Electricity Expenses Legal & Professional Fees Printing & Stationery Rates & Taxes and License Fees Renewal Fees ROC Expenses Penalties Other Miscellaneous Expenditure	3.60 8.81 0.58 8.18 - 9.11 - 27.86 10.16 0.52	3.00 - 0.14 4.18 0.06 4.68 0.03 0.06 3.55 0.10
		<b>68.82</b>	<b>15.80</b>
19	<b>Schedule of Taxes</b> Current Tax Deferred Tax	36.69 (0.39)	20.00 (17.37)
		<b>36.30</b>	<b>2.63</b>



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**6 Property, Plant & Equipment and ROU Assets**  
The changes in the carrying value of property, plant and equipment & intangible assets for the year ended 31 March 2022 are as follows:

Particulars	Gross Carrying Amount			Accumulated Depreciation and amortization			Net Carrying Amount			
	As on 01.04.21	Additions	Deductions	As on 31.03.22	Upto 01.04.21	Addition	Deductions	Upto 31.03.22	As on 31.03.22	As on 31.03.21
<b>Tangible Assets</b>										
Computer	1.16	-	-	1.16	1.09	0.01	-	1.10	0.06	0.07
<b>A. Net Carrying Amount</b>	1.16	-	-	1.16	1.09	0.01	-	1.10	0.06	0.07
<b>ROU Assets</b>										
Premises on Operating Lease - Refer Note 9.1	13.35	-	-	13.35	8.96	4.39	-	13.35	(0.01)	4.39
<b>B. Net Carrying Amount</b>	13.35	-	-	13.35	8.96	4.39	-	13.35	(0.01)	4.39

The changes in the carrying value of property, plant and equipment & intangible assets for the year ended 31 March 2021 are as follows:

Particulars	Gross Carrying Amount			Accumulated Depreciation and amortization			Net Carrying Amount			
	As on 01.04.20	Additions	Deductions	As on 31.03.21	Upto 01.04.20	Addition	Deductions	Upto 31.03.21	As on 31.03.21	As on 31.03.20
<b>Tangible Assets</b>										
Computer	1.16	-	-	1.16	1.05	0.04	-	1.09	0.07	0.11
<b>A. Net Carrying Amount</b>	1.16	-	-	1.16	1.05	0.04	-	1.09	0.07	0.11
<b>ROU Assets</b>										
Premises on Operating Lease - Refer Note 9.1	13.35	-	-	13.35	4.57	4.39	-	8.96	4.39	8.78
<b>B. Net Carrying Amount</b>	13.35	-	-	13.35	4.57	4.39	-	8.96	4.39	8.78

**Notes:**

- The Company has not revalued any of its property, plant and equipment & intangible assets during the current and previous financial year.



**ENBEE TRADE AND FINANCE LIMITED**  
Notes to Financial Statement for Year ended 31st March 2022

**12 SHARE CAPITAL**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. In Lakhs	Number	Rs. In Lakhs
<b>Authorised Capital</b> 20,00,000 Equity Shares of Rs. 10 each (Previous year 20,00,000 Shares of Rs. 10 each)	20,00,000	200.00	20,00,000	200.00
	20,00,000.00	200.00	20,00,000	200.00
<b>Issued, Subscribed and Paid up Capital</b> 16,00,050 Equity Shares of Rs. 10 each (Previous Year 16,00,050 Shares of Rs.10 each, fully paid up)	16,00,050	160.01	16,00,050	160.01
	16,00,050.00	160.01	16,00,050.00	160.01

**12.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Rs. In Lakhs	Number	Rs. In Lakhs
<b>Equity shares</b>				
<b>At the beginning of year</b>	16,00,050	160	16,00,050	160
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>At the end of the year</b>	16,00,050	1,60,00,500	16,00,050	1,60,00,500

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% shareholding	No. of Shares held	% shareholding
<b>Equity shares held by</b>				
Mr. Amar Narendra Gala	2,85,166	17.82%	2,85,166	17.82%

As per records of the company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**12.3** There are no shares issued or reserved for issue under options and contracts or commitments for the sale of shares or disinvestment during the period of five years immediately preceding the Balance Sheet date. There are no shares allotted without the payment being received in cash during the period of five years immediately preceding the Balance Sheet date.

**12.4** During the last five years there were no Bonus Shares were issued.

**12.5 Details of shareholding of promoters are given below:**

**As at 31 March 2022**

Shares held by promoters at the end of the year				% Change during the year
Sr. No.	Promoter name	No. of shares	% of total shares	
	AMAR NARENDRA GALA	2,85,166.00	17.82	-
	SAMTA AMAR GALA	50,000.00	3.12	-
	NEHA MEHUL GALA	5,000.00	0.31	-
	BHARAT THAKARSHI MAMANIA	25,000.00	1.56	-
	NARENDRA BHAVANJI GALA	10,000.00	0.62	-
	MEHUL NARENDRA GALA	5,000.00	0.31	-
	MEHUL NARENDRA GALA HUF	5,000.00	0.31	-
	NEEL BHARAT MAMANIA	5,000.00	0.31	-
	AMAR NARENDRA GALA HUF	5,000.00	0.31	-
	REKHA BHARAT MAMANIA	5,000.00	0.31	-
	BHARAT THAKARSHI MAMANIA HUF	5,000.00	0.31	-
	NARENDRA BHAVANJI GALA HUF	10,000.00	0.62	-
	BHARATHI NARENDRA GALA	20,000.00	1.25	-
	<b>Total</b>	<b>4,35,166.00</b>	<b>27.20</b>	



As at 31 March 2021

Shares held by promoters at the end of the year				% Change during the year
Sr. No.	Promoter name	No. of shares	% of total shares	
	AMAR NARENDRA GALA	285166.00	17.82	-
	SAMTA AMAR GALA	50000.00	3.12	-
	NEHA MEHUL GALA	5000.00	0.31	-
	BHARAT THAKARSHI MAMANIA	25000.00	1.56	-
	NARENDRA BHAVANJI GALA	10000.00	0.62	-
	MEHUL NARENDRA GALA	5000.00	0.31	-
	MEHUL NARENDRA GALA HUF	5000.00	0.31	-
	NEEL BHARAT MAMANIA	5000.00	0.31	-
	AMAR NARENDRA GALA HUF	5000.00	0.31	-
	REKHA BHARAT MAMANIA	5000.00	0.31	-
	BHARAT THAKARSHI MAMANIA HUF	5000.00	0.31	-
	NARENDRA BHAVANJI GALA HUF	10000.00	0.62	-
	BHARATHI NARENDRA GALA	20000.00	1.25	-
	<b>Total</b>	<b>4,35,166.00</b>	<b>27.20</b>	-

### 12.5 Terms and rights attached to equity shares

The company has only one class of Equity having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by shareholders at the Annual General Meeting.

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.

The Company has not allotted any shares pursuant to contracts without payment being received in cash or as bonus shares nor has it bought back any shares during the preceding period of five financial years.

### 13 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934	46.01	46.01
(b) Securities Premium Account	542.02	542.02
(c) Retained Earnings	294.54	200.35
<b>Total</b>	<b>882.57</b>	<b>788.38</b>

### 13.1 Nature of reserves

**Securities premium reserve:** Securities premium reserve is credited when shares are issued at premium. It can be used to issue bonus shares, to provide for premium on redemption of redeemable preference shares or debentures, write-off of expenses on issue of equity shares, etc.

**Statutory reserve:** It has been created in terms of Section 45-IC (1) of the Reserve Bank of India Act, 1931 ("RBI Act") and the Company transfers at least 20% of its net profits every year to this reserve before any dividend is declared.

**Retained earnings:** Retained earnings are the profits that the Company has earned till date, less any transfers to statutory reserve and dividends paid to investors.





**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

20 Earnings per share (EPS)		For the year ended March 31, 2022	For the year ended March 31, 2021
	PARTICULAR	Units	
	Profit after tax	₹ in lakhs	94.19
	Less: Dividend on preference shares and attributable tax thereon	₹ in lakhs	-
	Profit after tax for basic EPS	₹ in lakhs	94.19
	Weighted average number of equity shares for calculating basic earnings	Numbers	16,00,050.00
	Face value of equity shares	₹	10.00
	<b>Basic earnings per share</b>	₹	<b>5.89</b>
	Profit after tax for diluted EPS	₹ in lakhs	94.19
	Weighted average number of equity shares for calculating diluted earnings	Numbers	16,00,050
	Face value of equity shares	₹	10
	<b>Diluted earnings per share</b>	₹	<b>0.43</b>

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders after adjusting for effects of all dilutive potential shares for the convertible preference shares by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential shares into Equity shares.



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**21. Lease disclosures under Ind-AS 116 for the current year ended 31 March 2021**

**Operating leases:**

The Company has entered into leasing arrangements for premises. Majority of the leases are cancellable by the Company. ROU has been included after the line 'Property, Plant and Equipment' and 'Lease Liability' has been included under 'Other Financial Liabilities' in the Balance Sheet.

The Company has recognised lease liabilities and right to use assets as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
<b>I. Lease liabilities</b>		
Opening balance	3.54	7.56
Add: Lease liabilities recognised during the year		
Less: Lease liabilities written off during the year		
Add: Interest accrued on lease liabilities	3.63	3.17
Less: Lease payments	7.20	7.20
<b>Closing balance of lease liabilities</b>	<b>(0.03)</b>	<b>3.54</b>
<b>II. Right of use assets (RoU assets)</b>		
Opening balance		8.78
Add: RoU assets recognised during the year	4.39	
Less: RoU assets written off during the year		
Less: Depreciation on RoU assets	4.39	4.39
<b>Closing balance of RoU assets</b>	<b>(0.10)</b>	<b>4.39</b>

**Lease liabilities and lease cash flows**

Particulars	As at 31 March 2022	As at 31 March 2021
<b>Maturity analysis- contractual undiscounted cash flows</b>		
Less than one year		7.20
One to five years	7.20	
More than five years		
<b>Total undiscounted lease liabilities</b>	<b>7.20</b>	<b>7.20</b>
<b>Lease liabilities included in the financial statements</b>	<b>(0.03)</b>	<b>3.54</b>

**Amount recognised in statement of profit or loss**

Particulars	As at 31 March 2022	As at 31 March 2021
Interest on lease liabilities charged to finance cost	3.63	3.17
Depreciation charge for the period on RoU assets	(4.39)	4.39
<b>Total</b>	<b>(0.76)</b>	<b>7.56</b>

Cash out flow on account of lease payments is ₹ 7.2 lakhs (for previous year ₹ 7.2 lakhs)



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**22 Financial Instruments**

**A) Accounting classification and fair values**

Carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy, are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**Carried at Amortised Cost**

Financial Assets	As on March 31, 2022	As on March 31, 2021
Loans	2,194.20	965.53
Other Financial assets	2.00	1.72
Cash and cash equivalents	4.36	3.49
	<b>2,200.56</b>	<b>970.74</b>
<b>Financial liabilities</b>		
Borrowings	1,065.00	-
Other financial liabilities	29.33	8.76
	<b>1,094.33</b>	<b>8.76</b>

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, trade receivables, balances other than cash and cash equivalents, trade payables, loans, other deposits, other financial assets and other financial liabilities



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**22 Financial Instruments (continued)**

**B) Financial risk management**

The Company has to manage various risks associated with the lending business. These risks include credit risk, liquidity risk and market risk.

**i. Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company undertakes regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from :

- a. **Company's receivables from customers**
- b. **Loan Portfolio**
- c. **Cash and cash equivalents and other bank balances**

**a. Receivables:**

The receivables from customers is NIL at present.



**b. Loans Composition**

Particulars	Carrying amount	
	March 31, 2022	March 31, 2021
Loans to Related parties	0	0
Other Loans and Advances	2,194.20	965.53
<b>Total</b>	<b>2,194.20</b>	<b>965.53</b>

Expected credit losses are a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive. Because expected credit losses consider the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. The Company measures the expected credit loss of loans based on historical trend, industry practices and the business environment in which the entity operates.

**Key components of credit risk assessment**

The key components of credit risk assessment are:

- Probability of Default ("PD"): represents the likelihood of default over a defined time horizon.
- Exposure at Default ("EAD"): represents how much the counter-party is likely to be borrowing at the time of default.
- Loss Given Default ("LGD"): represents the proportion of EAD that is likely to be lost post-default.
- The ECL is computed as a product of PD, LGD and EAD.



**Definition and assessment of default**

The Company considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Company; or
- the borrower is unlikely to pay its credit obligations to the Company in full.

When assessing if the borrower is unlikely to pay its credit obligation, the Company takes into account both qualitative and quantitative indicators. Quantitative indicator such as overdue status is key inputs in this analysis.

Quantitative indicators such as overdue status and non-payment on another obligation to the Company of the same counterparty are key inputs in this analysis.

Delinquency buckets have been considered as the primary basis for the staging of all loans with:

- 0-30 days past due loans classified as Stage 1
- 31-90 days past due loans classified as Stage 2 and
- Above 90 days past due loans classified as Stage 3

Along with delinquency buckets; the internally developed criteria's to analyse whether there is increase in credit risk or whether the asset is credit impaired are considered for staging of loans.

**Grading****March 31, 2022**

Grade	Rating	Weighted-average loss rate	Gross Carrying amount	Impairment loss allowance	Credit Impaired
Low to Medium Risk	Unrated	2.00%	1966.83	39,42174	-
Significant increase in credit risk	Unrated	14.67%	312.60	45,85521	-
Credit Impaired	Unrated	100.00%			-
<b>Total</b>			<b>2,279.43</b>	<b>85.28</b>	

**March 31, 2021**

Grade	Rating	Weighted-average loss rate	Gross Carrying amount	Impairment loss allowance	Credit Impaired
Low to Medium Risk	Unrated	1.25%	671.80	8.40	-
Significant increase in credit risk	Unrated	30.68%	435.56	133.64	-
Credit Impaired	Unrated	100.00%	-	-	-
<b>Total</b>			<b>1,107.36</b>	<b>142.04</b>	



**Impairment on financial instruments**

The below table show impairment loss on financial instruments charge to statement of profit and loss based on category of financial instrument.

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2022
<b>On financial assets measured at amortised cost</b>		
Loans		
Trade receivables	(58.42)	70.28
Total	(58.42)	70.28

**c. Cash and cash equivalents and other bank balances**

The Company held cash in hand and bank balances in Current Account.



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**22. Financial Instruments (continued)**

**iii. Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Exposure to liquidity risk**

Particulars	Carrying amount	Total	Contractual cash flows					
			Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non-derivative financial liabilities-</b>								
Trade and other payables								
March 31, 2022	29.33	29.33						
March 31, 2021	8.76	8.76	8.76	2.29	0.59	26.45		

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign currency rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company has no exposure to market risk related to foreign exchange rate risk or interest rate risk.

**A. Currency risk**

The Company has no foreign currency exposure.

**B. Interest rate risk**

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.





**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**23 Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Company has raised money by way of issuing Equity capital. This instrument, being Equity Capital do not require repayments.

The company conducts its business from own funds and do not depend on borrowed funds.



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

		For the Year ended March 31, 2022	For the Year ended March 31, 2021
<b>24 Tax Reconciliation</b>			
	The reconciliation of estimated income tax expense at tax rate to income tax expense reported in profit or loss is as follows:		
	<b>Tax expense</b>		
	<b>a) Amounts recognised in profit or loss</b>		
	<b>Particulars</b>		
	Current Income Tax	36.69	20
	<b>(b) Reconciliation of effective tax rate</b>		
	<b>Particulars</b>		
	Profit before tax	130.49	9.46
	Applicable tax Rate	0.28	0.28
	Tax using the Company's tax rate	36.30	2.63
	<b>Tax effect of:</b>		
	Effect of expenses/provisions not deductible in determining taxable profit	0.39	(17.37)
	Effects of income not considered as taxable on compliance of condition		
	<b>Income tax expense recognised in profit and loss</b>	<b>36.69</b>	<b>20.00</b>



**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

**25 Related party disclosures**

As per Ind AS 24 - "Related Party Disclosures", following disclosure are made:

The disclosure of related party transactions is presented on an aggregate basis for shareholders and companies controlled by shareholders, joint ventures and associates. In addition, there may be additional disclosures of certain significant transactions (balances and turnover) with certain related parties.

**Details of related parties**

Name of the related party	Relationship
Amar Narendra Gala	Key Management Personnel
Samta Amar Gala	Key Management Personnel
Mehul Gala	Key Management Personnel

a)

The nature and volume of transactions of the Company with the above related parties were as follows:

Nature of transactions	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Director's Remuneration</b>		
Amar Narendra Gala	46.50	30.00
Samta Amar Gala	21.90	12.00
Mehul Gala	34.00	30.00
<b>Rent paid</b>		
Amar Narendra Gala	7.20	7.20

b)

**Balance outstanding at the end of the year**

Nature of transactions	As at March 31, 2022	As at March 31, 2021
<b>Security Deposit</b>		
Amar Narendra Gala	2	

Notes: 1. There were no guarantee given or security provided during the year to the related parties.  
 2. All aforesaid transactions are in ordinary course of business and at arm's length basis.



**ENBEE TRADE AND FINANCE LIMITED**

Notes to Financial Statement for Year ended 31st March 2022

(Currency: INR in Lakhs)

**26 Disclosures pursuant to Reserve Bank of India Guidelines, to the extent applicable to the Company (continued)**

Additional Information as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 is given below:

A) Asset Classification	Gross Carrying Amt
Particulars	
(i) Standard assets	2279.48
(ii) Sub-standard assets	0
(iii) Doubtful assets	0
(iv) Loss assets	0

B) Schedule to the Balance Sheet of a non-deposit taking Non-Banking Financial Company (as required by Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016)

	As at 31 March 2022	As at 31 March 2021
<b>Liabilities side :</b>		
<b>Loans and advances availed by the non banking financial company Inclusive of</b>		
1) Interest accrued thereon but not paid:		
<b>Asset side :</b>		
<b>Break-up of loans and advances including bills receivables [other than those</b>		
2) included in (4) below] :		
a) Secured		
b) Unsecured	2,194.20	965.53
3) Break up of leased assets and stock on hire and other assets counting towards Asset		
Financing activities	-	-
4) Break-up of investments	-	-



5) Borrower group-wise classification of assets financed as in (2) and (3) above: Please see Note 1 below

Category	As at 31 March 2022		As at 31 March 2021	
	Amount net of Provision		Amount net of Provision	
	Secured	Unsecured	Secured	Unsecured
<b>1. Related Parties</b>				
a) Subsidiaries	-	-	-	-
b) Companies in the same Group	-	-	-	-
c) Other Related Parties	-	-	-	-
<b>2. Other than Related Parties</b>		<b>2,194.20</b>		<b>965.53</b>
		<b>Total</b>	<b>Total</b>	
				<b>965.53</b>

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted): Please see Note 2 below:  
None

7) Other information

Particulars	As at	As at
	31 March 2022	31 March 2021
	Amount	Amount
<b>i) Gross non performing assets (NPAs)*</b>		
a) Related parties		
b) Other than related parties	0	435.56
<b>ii) Net non performing assets (NPAs)*</b>		
a) Related parties		
b) Other than related parties	0	301.92
<b>iii) Assets acquired in satisfaction of debt</b>		

\* NPAs presented above reflect credit impaired assets as per Ind AS which includes restructured assets classified as Stage 3.

**Notes:**

1. Provisioning norms shall be applicable as prescribed in Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
2. All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above.



**ENBEE TRADE AND FINANCE LIMITED**

**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

27 **Additional Disclosure pursuant to Reserve Bank of India notification DNBR (PD) CC. No.029/03.10.001/2014-15 dated 10 April 2015**

a) **Movement of Credit impaired loans under Ind-AS - None**

b) **Movement of impairment loss allowance for low credit risk loans and significant increase in credit risk loans**

Particulars	31-Mar-22	31-Mar-21
Opening Balance	142.04	71.76
Net Additions/ (Reductions) during the year	(58.42)	70.28
Closing Balance	83.62	142.04

d) **Sector-wise distribution of credit impaired loans - None**



**ENBEE TRADE AND FINANCE LIMITED**  
Notes to Financial Statement for Year ended 31st March 2022

(Currency: INR In Lakhs)

**28 Disclosures pursuant to Reserve Bank of India Guidelines, to the extent applicable to the Company (continued)**  
Disclosure pursuant to Reserve Bank of India notification DOR (NBFC).CC.No.109 /22.10.106/2019-20dated 13 March 2020

As at 31 March 2022

(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7) = (4)-(6)
Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
Performing Assets	Stage 1	1,966.83	39.42	1,927.41	4.92	34.50
Standard	Stage 2	312.60	45.86	266.74	0.78	45.07
<b>Subtotal</b>		<b>2,279.43</b>	<b>85.28</b>	<b>2,194.16</b>	<b>5.70</b>	<b>79.58</b>
<b>Non-Performing Assets (NPA)</b>	Stage 3	-	-	-	-	-
Substandard	Stage 3	-	-	-	-	-
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
<b>Subtotal</b>		-	-	-	-	-
<b>Total</b>	Stage 1	<b>1,966.83</b>	<b>39.42</b>	<b>1,927.41</b>	<b>4.92</b>	<b>34.50</b>
	Stage 2	<b>312.60</b>	<b>45.86</b>	<b>266.74</b>	<b>0.78</b>	<b>45.07</b>
	Stage 3	-	-	-	-	-
	<b>Total</b>	<b>2,279.43</b>	<b>85.28</b>	<b>2,194.16</b>	<b>5.70</b>	<b>79.58</b>



As at 31 March 2021

Asset Classification as per RBI Norms (1)	Asset classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS (3)	Loss Allowances (Provisions) as required under Ind AS 109 (4)	Net Carrying Amount (5)=(3)-(4)	Provisions required as per IRACP norms (6)	Difference between Ind AS 109 provisions and IRACP norms (7) = (4)-(6)
<b>Performing Assets</b>						
Standard	Stage 1 Stage 2	671.80 135.40 807.20	8.40 16.58 24.97	663.50 118.83 782.33	1.68 0.34 2.02	6.72 16.24 22.95
<b>Subtotal</b>						
<b>Non-Performing Assets (NPA)</b>						
Substandard	Stage 3	300.16	117.06	183.09	30.02	87.05
Doubtful - up to 1 year	Stage 3	-	-	-	-	-
1 to 3 years	Stage 3	-	-	-	-	-
More than 3 years	Stage 3	-	-	-	-	-
<b>Subtotal for doubtful</b>		300.16	117.06	183.09	30.02	87.05
Loss	Stage 3	-	-	-	-	-
<b>Subtotal for NPA</b>		300.16	117.06	183.09	30.02	87.05
<b>Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms</b>						
<b>Subtotal</b>	Stage 1 Stage 2 Stage 3	- - -	- - -	- - -	- - -	- - -
<b>Total</b>	Stage 1 Stage 2 Stage 3 Total	671.80 135.40 300.16 1,107.36	8.40 16.58 117.06 142.04	663.50 118.83 183.09 965.32	1.68 0.34 30.02 32.03	6.72 16.24 87.05 110.00





**ENBEE TRADE AND FINANCE LIMITED**  
**Notes to Financial Statement for Year ended 31st March 2022**

(Currency: INR in Lakhs)

	Particulars	31-03-2022	31-03-2021
29	There were no incidents of frauds reported to RBI during the current year and the previous year.		
30	The Company does not have any contingent liabilities or other commitments as on the balance sheet date.		
<b>31</b>	<b>Dues to micro and small suppliers</b>		
	The amounts remaining unpaid to micro and small suppliers as at the end of the year		
	Principal	5.46	4.74
	Interest	-	-
	The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
	The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
	<b>Total</b>	<b>5.46</b>	<b>4.74</b>



Disclosure of outstanding dues of MSME is based on information available with company regarding status of suppliers as defined under MSME Act, 2006 and had been relied upon by auditors. There is undisputed amount as on 31st March, 2022, to micro and Small and Medium enterprises on account of principle or interest. Outstanding pertaining to dues payable to MSME entities neither includes any interest payable nor any interest accrued on such payables.

32 Value of Imports- Rs. NIL

33 Dividends proposed to be distributed for the equity shareholders for the year ended March 31, 2022 is Rs.NIL

34 **Payment to Statutory Auditors**

During the year, the Company made following payments to statutory auditors:

Particulars	31-03-2022	31-03-2021
Statutory Audit	3.60	3.00
Other services	3.33	1.57
Reimbursements		-
<b>Total</b>	<b>6.93</b>	<b>4.57</b>

The above disclosed figures are excluding Goods and Service Tax.


35 **Segment Reporting**

**Based on the Chief Operating Decision Maker (CODM) assessment of business constituted is as follow :-**

A) General information - The Company operates in a single segment

The Company's Chairman and Managing Director have been identified as the Chief Operating Decision Maker. The CODM examines the Company's performance on an overall level. The Company has only one reportable segment i.e. 'wholesale financing'. The Company does not have any operations outside India and hence there are no reportable geographical segments.



<p>B) Geographic information The Company's major operations are in single geographical location, i.e. India. The segment revenue, segment results, total carrying value of segment assets and segment liabilities, total costs incurred to acquire segment assets, total amount of charge of depreciation during the period are all reflected in the Financial Statements. C) Information about major customers</p>	<p>In FY 2020-21 revenue from 3 customers accounted for Rs 51.20 Lakhs and in FY 2021-212 revenue from 4 customers accounted for Rs. 103.19, which contributed more than 10% of the total revenue earned during the year.</p> <p><b>36 Analytical Ratios</b> CRAR Ratio and Liquidity Risk Coverage Ratio are not applicable as per RBI circular</p> <p><b>37 Events after the reporting period</b> There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.</p> <p><b>38</b> Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.</p>	<p>As per our report of even date attached <b>For Ambavat Jain &amp; Associates LLP</b> Chartered Accountants Firm's Registration No.: 109681W</p> <p><i>C. A. Shah</i> <b>Chirag Shah</b> Partner Membership No. : 125997 Mumbai : 30th May, 2022 UDIN : 22125997AJWUNW1819</p> <p><b>For and on behalf of the Board of Directors of Ezee Trade and Finance Limited</b></p> <p><i>[Signature]</i> Managing Director Mumbai : 30th May, 2022</p> <p><i>[Signature]</i> Chief Financial Officer Mumbai : 30th May, 2022</p> <p><i>[Signature]</i> Ruchika Kabra - Company Secretary Mem No : 67295</p> 
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## **MATERIAL DEVELOPMENTS**

Except as stated in this Draft Letter of Offer and as disclosed below, to our knowledge, no circumstances have arisen since December 31, 2022, which materially and adversely affect or are likely to affect our operations, performance, prospects or profitability, or the value of our assets or our ability to pay material liabilities:

- The Board of Directors of our Company in their meeting held on February 13, 2023 has approved an increase in the authorized share capital of our Company from ₹ 2,00,00,000/- divided into 20,00,000 Equity Shares of ₹ 10/- each to ₹ 34,00,00,000 divided into 3,40,00,000 Equity Shares of ₹ 10/- each, subject to the approval of the Shareholders in the ensuing Extra Ordinary General Meeting scheduled to be held on March 22, 2023.

## ACCOUNTING RATIOS

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Financial Statements and Unaudited Financial Results, as applicable. For details see “Financial Statements” on page 75 of this Draft Letter of Offer.

(₹ in lakhs)

Particulars	For nine months period ended December 31, 2022	For the year ended	
		31-03-2022	31-03-2021
<b><u>Basic and Diluted Earnings Per Share (Rs.)</u></b>			
<b>Basic Earnings Per Share (Basic EPS)</b>			
Net profit / (loss) after tax, attributable to equity shareholders	154.93	94.19	6.83
Weighted average number of Equity Shares outstanding	16.0005	16.0005	16.0005
<b>Basic EPS in Rs.</b>	9.68	5.89	0.43
<b>Face value in Rs.</b>	10	10	10
<b>Diluted Earnings Per Share (Diluted EPS)</b>			
Net profit / (loss) after tax, as attributable to equity shareholders	154.93	94.19	6.83
Weighted average number of shares considered for calculating Diluted EPS	16.0005	16.0005	16.0005
<b>Diluted EPS in Rs.</b>	9.68	5.89	0.43
<b>Face value in Rs.</b>	10	10	10
<b><u>Net Asset Value Per Equity Share (Rs.)</u></b>			
<b>Net Asset Value (Net-worth)</b>	3654.49	2229.23	1011.32
Number of equity shares outstanding at the year end	16.0005	16.0005	16.0005
Number of adjusted equity shares outstanding at the year end	16.0005	16.0005	16.0005
<b>Net Assets Value per equity share (Rs.)</b>	228.39	139.32	63.21
<b><u>Return on Net worth</u></b>			
Net Profit / (loss) after tax	154.93	94.19	6.83
Net worth	1159.05	996.57	902.38
<b>Return on net worth</b>	0.13	0.09	0.01
<b><u>EBITDA</u></b>			
Profit / (loss) after tax (A)	154.93	94.19	6.83
Income tax expense (B)	45.98	36.30	2.63
Finance costs (C)	82.12	40.92	3.17
Depreciation and amortization expense (D)	3.49	4.40	4.43
<b>EBITDA (A+B+C+D)</b>	286.52	175.81	17.06

The ratios have been computed as per the following formulae:

**(i) Basic and Diluted Earnings per Share**

$$\frac{\text{Net Profit after tax, as attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$$

**(ii) Net Assets Value (NAV)**

$$\frac{\text{Net Asset Value, at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$$

Particulars	For nine months period ended December 31, 2022	For the year ended	
		31-03-2022	31-03-2021

**(iii) Return on Net worth (%)**

Net Profit after tax, as attributable to equity share holders  
Net worth (excluding revaluation reserve), at the end of the year

Net-worth (excluding revaluation reserve), means the aggregate value of the paid-up share capital (including shares pending allotment) and securities premium account, after adding surplus in Statement of Profit and Loss.

**(iv) EBITDA**

Profit/(loss) after tax for the period adjusted for income tax, expense, finance costs, depreciation and amortization expense, as presented in the standalone statement of profit and loss.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Information" beginning on page 75 of this Draft letter of Offer. Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 20 and 16, respectively, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.*

*Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Enbee Trade & Finance Limited, our Company.*

*Unless otherwise indicated, financial information included herein are based on our Audited Financial Statements for Fiscal 2022, Fiscal 2021 and Fiscal 2020 respectively and Unaudited Financial Results for the quarter ended December 2022.*

### 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 45IA of the Reserve Bank of India Act, 1934 bearing Registration no. 13.00691 dated April 20, 1998. As the Company has been granted NBFC License by RBI, the Company's business model is mainly centered on Loan activities i.e. granting of unsecured loans to body corporates and individuals. We need financial resources to fuel the growing demand and to seize the opportunities presented by the market from time to time. We have been in the business for the last 25 years. There are no holding as well as subsidiary company. We work under the guidance of our Chairman and Managing Director, Amarr Narendra Galla, who has knowledge in the field of financing activities and has been associated with our Company since 2015. He has been instrumental in evolving our business operations, growth and future prospects.

Our standalone revenues from operations for Fiscals 2022, 2021 and 2020 were ₹ 363.71 lakhs, ₹ 195.39 lakhs and ₹ 85.95 lakhs respectively. Our standalone EBITDA for the Fiscals 2022, 2021 and 2020 were ₹ 175.81 lakhs, ₹ 17.06 lakhs and ₹ (55.08) lakhs, respectively. Our standalone profit after tax for Fiscals 2022, 2021 and 2020 were ₹ 94.19 lakhs, ₹ 6.83 lakhs and ₹ (47.85) lakhs respectively.

### 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 entitled 'Risk Factors' on page 20 of this Draft Letter of Offer. The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

- Any adverse changes in central or state government policies;
- Any adverse development that may affect our operations in Maharashtra;
- Any qualifications or other observations made by our statutory auditors which may affect our results of operations;
- Loss of one or more of our key customers and/or suppliers;
- An increase in the productivity and overall efficiency of our competitors;
- Our ability to maintain and enhance our brand image;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Changes in technology and our ability to manage any disruption or failure of our technology systems;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the financial markets in India and globally;
- Any adverse outcome in the legal proceedings in which we are involved;
- Occurrences of natural disasters or calamities affecting the areas in which we have operations;
- Market fluctuations and industry dynamics beyond our control;
- Our ability to compete effectively, particularly in new markets and businesses;

- Changes in foreign exchange rates or other rates or prices;
- Inability to collect our dues and receivables from, or invoice our unbilled services to, our customers, our results of operations;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Conflict of interest with our Individual Promoter, Promoter Group and other related parties;
- Changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry;
- Termination of customer contracts without cause and with little or no notice or penalty; and
- Inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals or noncompliance with and changes in, safety, health and environmental laws and other applicable regulations, may adversely affect our business, financial condition, results of operations and prospects.

## **SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies have been applied consistently to the periods presented in the Financial Statements. For details of our significant accounting policies, please refer section titled “*Financial Information*” on page 75.

## **CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS**

Except as mentioned in chapter “*Financial Information*” on page 75, 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 75 of this Draft Letter of Offer.

### ***Principal components of our statement of profit and loss account Revenue***

The following descriptions set forth information with respect to the key components of the Standalone Financial Statements.

#### **Total income**

Our revenue comprises of:

#### ***Revenue from operations***

Our revenue from operations is predominantly from interest receipts from loans.

#### ***Other Income***

Other income comprises of Finance Income - Lease Deposit.

#### **Expenses**

Our expenses primarily comprise of Finance Cost, Impairment of Financial Instrument, Employee Benefits Expense, Depreciation and amortization and other expenses.

#### ***Finance Cost***

Finance cost comprises of Interest and Finance Cost on Leases.

#### ***Employee Benefits Expense***

Employee benefit expense consists of salaries and wages.

#### ***Depreciation and amortization***

Depreciation and amortization expense comprises of depreciation/amortization on property, plant and equipment and intangible assets.



### Other expenses

Other expenses comprises of Auditors Remuneration, Electricity Expenses, Legal and Professional Fees, Printing and Stationery, Rates and Taxes and License Fees, Renewal Fees, ROC Expenses, Penalties, Other Miscellaneous Expenditure.

### Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws. Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences and treatment of expenses. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted as at the relevant balance sheet date.

### Results of our Operations

The following table sets forth, for the periods indicated, certain items from our financial statements, in each case also stated as a percentage of our total income:

*(₹ in lakhs)*

Particular	2022	Percentage of total income	2021	Percentage of total income	2020	Percentage of total income
		(%)		(%)		(%)
<b>INCOME</b>						
Revenue from Operations	0.00	0.00%	0.00	0.00%	0.00	0.00%
Interest Income	363.71	99.93%	195.39	99.88%	85.95	99.63%
Other Income	0.27	0.07%	0.23	0.12%	0.32	0.37%
<b>Total Income (A)</b>	<b>363.98</b>	<b>100.00%</b>	<b>195.62</b>	<b>100.00%</b>	<b>86.27</b>	<b>100.00%</b>
<b>EXPENDITURE</b>						
Finance costs	40.92	11.24%	3.17	1.62%	2.74	3.18%
Impairment of Financial Instrument (ECL)	(58.42)	(16.05%)	70.28	35.93%	67.52	78.27%
Employee benefit expenses	177.77	48.84%	92.48	47.28%	59.76	69.27%
Depreciation and amortisation expense	4.40	1.21%	4.43	2.26%	4.94	5.73%
Other Expenses	68.82	18.91%	15.80	8.08%	14.07	16.31%
<b>Total Expenses (B)</b>	<b>233.49</b>	<b>64.15%</b>	<b>186.16</b>	<b>95.16%</b>	<b>149.03</b>	<b>172.75%</b>
<b>Profit before tax</b>	<b>130.49</b>	<b>35.85%</b>	<b>9.46</b>	<b>4.84%</b>	<b>(62.76)</b>	<b>(72.75%)</b>
<b>Tax expense :</b>						
(i) Current tax	36.69	10.08%	20.00	10.22%	2.72	3.15%
(ii) Deferred tax	(0.39)	(0.11%)	(17.37)	(8.88%)	(17.63)	(20.44%)
<b>Total Tax Expense</b>	<b>36.30</b>	<b>9.97%</b>	<b>2.63</b>	<b>1.34%</b>	<b>(14.91)</b>	<b>(17.28%)</b>
<b>Profit for the year</b>	<b>94.19</b>	<b>25.88%</b>	<b>6.83</b>	<b>3.49%</b>	<b>(47.85)</b>	<b>(55.47%)</b>
<b>Other Comprehensive Income</b>						
Items that will not be reclassified to profit or loss	0.00	0.00%	0.00	0.00%	0.00	0.00%
Items that will be reclassified to profit or loss	0.00	0.00%	0.00	0.00%	0.00	0.00%
<b>Other comprehensive income for the year, net of tax</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>	<b>0.00</b>	<b>0.00%</b>
<b>Total comprehensive income for the year</b>	<b>94.19</b>	<b>25.88%</b>	<b>6.83</b>	<b>3.49%</b>	<b>(47.85)</b>	<b>(55.47%)</b>

### Comparison of Historical Results of Operations Fiscal 2022 compared to Fiscal 2021

#### Total Income

Our total revenue for Fiscal 2022 was ₹ 363.98 lakhs as compared to ₹ 195.62 lakhs for the Fiscal 2021, representing an increase of 86.06%. The increase in total revenue was primarily due to increase in our Interest Income on Loans.

Total revenue comprises of:

### **Revenue**

#### *Revenue from operations from interest income*

Our revenue from operations from interest income for the Fiscal 2022 was ₹ 363.71 lakhs as compared to ₹ 195.39 lakhs for the Fiscal 2021, representing an increase of 86.15%. The increase in revenue was primarily due to increase in our Interest Income on Loans.

#### *Other income*

Our other income for the Fiscal 2022 was ₹ 0.27 lakhs as compared to ₹ 0.23 lakhs for the Fiscal 2021, representing an increase of 17.39%. The increase in other income was primarily due to Finance Income of Lease Deposit.

### **Expenditure**

Our total expenditure for the Fiscal 2022 was ₹ 233.49 lakhs as compared to ₹ 186.16 lakhs for the Fiscal 2021, representing an increase of 25.42%.

#### *Finance Cost*

Finance cost for the Fiscal 2022 was ₹ 40.92 Lakhs as compared to ₹ 3.17 Lakhs for the Fiscal 2021 representing an increase of 1190.85%.

The interest expense increased by ₹ 37.29 lakhs in the Fiscal 2022. The increase is due to increase in loans and borrowings. Further, the Finance Cost on Leases increased by ₹ 3.63 lakhs in the Fiscal 2022 compared to ₹ 3.17 lakhs in the Fiscal 2022 representing an increase of 14.51%

#### *Impairment of Financial Instrument*

Impairment of Financial Instrument for the Fiscal 2022 was ₹ (58.42) Lakhs as compared to ₹ 70.28 Lakhs for the Fiscal 2021 representing a decrease of (183.12%) due to reduction of probability Expected Credit Loss under IND AS.

#### *Employee Benefits Expense*

Our employee benefit expenses for the Fiscal 2022 was ₹ 177.77 lakhs as compared to ₹ 92.48 lakhs for the Fiscal 2021, representing an increase of 92.23%. The increase in Employee Benefits Expense was primarily due to increase in salaries and wages.

#### *Depreciation and amortization*

Our depreciation and amortization expenses for the Fiscal 2022 was ₹ 4.40 lakhs as compared to ₹ 4.43 lakhs for the Fiscal 2021, representing a decrease of 0.68%. The decrease is due to depreciation is on WDV method, which reduces every year as WDV cost reduces. Since there has been no addition in assets, depreciation has not increased.

#### *Other expenses*

Our other expenses for the Fiscal 2022 was ₹ 68.82 lakhs as compared to ₹ 15.80 lakhs for the Fiscal 2021, representing an increase of 335.57%. The increase is primarily due to the increase Legal & Professional Fees, Rates & Taxes and License Fees, ROC Expenses and Penalties.

#### *Profit/Loss before Tax*

The profit/(loss) before tax for the Fiscal 2022 was ₹ 130.49 lakhs as compared to ₹ 9.46 lakhs for the Fiscal 2021, representing an increase of 1279.39%. The increase in profit/(loss) before tax was due to the Interest Income.

#### *Taxation*

Total tax expense for the Fiscal 2022 ₹ 36.30 lakhs as compared to ₹ 2.63 lakhs for the Fiscal 2021, representing an increase of 1280.29%. The increase is due to increase in net income.

#### *Profit/Loss after Tax*

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2022 of ₹ 94.19 lakhs as compared to ₹ 6.83 lakhs for the Fiscal 2021, representing an increase of 1279.06%.

### **Fiscal 2021 compared to Fiscal 2020**

#### **Total Income**

Our total revenue for Fiscal 2021 was ₹ 195.62 lakhs as compared to ₹ 86.27 lakhs for the Fiscal 2020, representing an increase of 126.75%. The increase in total revenue was primarily due to Interest Income on Loans.

Total revenue comprises of:

#### **Revenue**

##### *Revenue from operations from interest income*

Our revenue from operations from interest income for the Fiscal 2021 was ₹ 195.39 Lakhs as compared to ₹ 85.95 Lakhs for the Fiscal 2020, representing an increase of 127.33%. The increase is primarily due to increase in Interest Income.

##### *Other income*

Our other income for the Fiscal 2021 was ₹ 0.23 lakhs as compared to ₹ 0.32 lakhs for the Fiscal 2020, representing a decrease of (28.13%). The decrease in other income was primarily due to interest on Income Tax Refund which was appearing in the year 2020.

#### **Expenditure**

Our total expenditure for the Fiscal 2021 was ₹ 186.16 lakhs as compared to ₹ 149.03 lakhs for the Fiscal 2020, representing an increase of 24.91%.

##### *Finance Cost*

Finance cost for the Fiscal 2021 was ₹ 3.17 Lakhs as compared to ₹ 2.74 Lakhs for the Fiscal 2020 representing an increase of 15.69%.

##### *Impairment of Financial Instrument*

Impairment of Financial Instrument cost for the Fiscal 2021 was ₹ 70.28 lakhs as compared to ₹ 67.52 lakhs for the Fiscal 2020 representing an increase of 4.09%.

##### *Employee Benefits Expense*

Our employee benefit expenses for the Fiscal 2021 was ₹ 92.48 lakhs as compared to ₹ 59.76 lakhs for the Fiscal 2020, representing an increase of 54.75%. The increase in Employee Benefits Expense was primarily due to increase in salaries and wages.

##### *Depreciation and amortization*

Our depreciation and amortization expenses for the Fiscal 2021 was ₹ 4.43 Lakhs as compared to ₹ 4.94 Lakhs for the Fiscal 2020, representing a decrease of (10.32%). The decrease is due to depreciation is on WDV method, which reduces every year as WDV cost reduces. Since there has been no addition in assets, depreciation has not increased.

#### *Other expenses*

Our other expenses for the Fiscal 2021 was ₹ 15.80 lakhs as compared to ₹ 14.07 lakhs for the Fiscal 2020, representing an increase of 12.30%. The increase was primarily due to the increase in Legal and Professional Fees, Rates and Taxes and License Fees, ROC Expenses, Penalties and Other Miscellaneous Expenditure.

#### *Profit/Loss before Tax*

The profit/(loss) before tax for the Fiscal 2021 of ₹ 9.46 Lakhs as compared to ₹ (62.76) Lakhs for the Fiscal 2020, representing an increase of 115.07%. The increase in profit before tax was due to increase in interest income on loans.

#### *Taxation*

Total tax expense for the Fiscal 2021 ₹ 2.63 Lakhs as compared to ₹ (14.91) Lakhs for the Fiscal 2020, representing an increase of 117.64%.

#### *Profit/Loss after Tax*

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Fiscal 2021 of ₹ 6.83 Lakhs as compared to a Loss of ₹ (47.85) Lakhs for the Fiscal 2020, representing an increase of 114.27%.

#### **Nine month ended December 31, 2022 compared with Nine month ended December 31, 2021**

(₹ in lakhs)

Particulars	Nine months ended December 31, 2022		Nine months ended December 31, 2021	
	(Standalone)		(Standalone)	
	Amount	Percentage of Total Revenue (%)	Amount	Percentage of Total Revenue (%)
Revenue from Operations				
Interest Income	551.08	100.00	232.41	100.00
Finance Income	0	0.00	0	0.00
Other Income	0	0.00	0	0.00
<b>Total Revenue (A)</b>	<b>551.08</b>	<b>100.00</b>	<b>232.41</b>	<b>100.00</b>
<b>EXPENSES</b>				
Finance costs	82.12	14.90	10.50	4.52
Impairment of Financial Instrument (ECL)	89.82	16.30	0	0.00
Employee benefit expenses	160.00	29.03	127.20	54.73
Depreciation, Amortisation, Impairment	3.49	0.63	0.01	0.00
Other Expenses	14.74	2.67	23.93	10.30
<b>Total Expenses (B)</b>	<b>350.17</b>	<b>63.54</b>	<b>161.64</b>	<b>69.55</b>
<b>Profit before tax</b>	<b>200.91</b>	<b>36.46</b>	<b>70.77</b>	<b>30.45</b>
<b>Tax expense :</b>				
(i) Current tax	46.11	8.37	30.28	13.03
(ii) Deferred tax	(0.13)	(0.02)	(0.02)	(0.01)
<b>Total Tax Expense</b>	<b>45.98</b>	<b>8.34</b>	<b>30.26</b>	<b>13.02</b>
<b>Profit for the year</b>	<b>154.93</b>	<b>28.11</b>	<b>40.51</b>	<b>17.43</b>
<b>Other Comprehensive Income</b>				
Other comprehensive income for the year, net of tax	0	0.00	0	0.00
<b>Total comprehensive income for the year</b>	<b>154.93</b>	<b>28.11</b>	<b>40.51</b>	<b>17.43</b>

#### **Total Revenue**

Our total revenue for Nine months ended December 31, 2022 was ₹ 551.08 lakhs as compared to ₹ 232.41 lakhs for the Nine months ended December 31, 2021, representing an increase of 137.11 %. The increase in total revenue was primarily due to increase in interest income.

Total revenue comprises of:

### **Revenue**

#### *Revenue from operations from interest income*

Our revenue from operations from interest income for the Nine months ended December 31, 2022 was ₹ 551.08 lakhs as compared to ₹ 232.41 lakhs for the Nine months ended December 31, 2021, representing an increase of 137.11 %. This is primarily due to increase in interest income.

#### *Other income*

Our other income for the Nine month ended December 31, 2022 and for December 31, 2021 is NIL.

### **Expenditure**

Our total expenditure for the Nine months ended December 31, 2022 was ₹ 350.17 lakhs as compared to ₹ 161.64 lakhs for the Nine months ended December 31, 2021, representing an increase of 116.63%.

#### *Finance Cost*

Finance cost for the Nine months ended December 31, 2022 was ₹ 82.12 lakhs as compared to ₹ 10.50 lakhs for the Nine months ended December 31, 2021 representing an increase of 682.09%. The increase in Finance cost is primarily due to increase in loans and borrowings resulting in increase in interest expense.

#### *Impairment of Financial Instrument*

Impairment of Financial Instrument for the Nine months ended December 31, 2022 was ₹ 89.82 lakhs as compared to ₹ Nil for the Nine months ended December 31, 2021.

#### *Employee Benefits Expense*

Our employee benefit expenses for the Nine months ended December 31, 2022 was ₹ 160.00 lakhs as compared to ₹ 127.20 lakhs for the Nine months ended December 31, 2021, representing an increase of 25.78%. The increase in Employee Benefits Expense was primarily due to increase in yearly salary increment of employees and Directors.

#### *Depreciation and amortization*

Our depreciation and amortization expenses for the Nine months ended December 31, 2022 was ₹ 3.49 lakhs as compared to ₹ 0.01 lakhs for the Nine months ended December 31, 2021, representing an increase of 34,800%. The increase is due to the depreciation is on WDV method, which reduces every year as WDV cost reduces. Since there has been no addition in assets, depreciation has not increased.

#### *Other expenses*

Our other expenses for the Nine months ended December 31, 2022 was ₹ 14.74 lakhs as compared to ₹ 23.93 lakhs for the Nine months ended December 31, 2021, representing a decrease of 38.40%. The decrease is primarily due to certain expenditure like professional fees and listing fees not accrued till date.

#### *Profit/Loss before Tax*

The profit before tax for the Nine months ended December 31, 2022 is ₹ 200.91 lakhs as compared to ₹ 70.77 lakhs for the Nine months ended December 31, 2021, representing an increase of 183.89%. The increase in profit before tax is due to increase in interest income which is result of increase in loans and Advances given.

#### *Taxation*

Total tax expense for the Nine month ended December 31, 2022 ₹ 45.98 lakhs as compared to ₹ 30.26 lakhs for the Nine months ended December 31, 2021, representing an increase of 51.94 %. The increase was due to increase in net income.

#### *Profit/Loss after Tax*

As a result of the aforesaid, Our Company earned a profit for the year on a basis for the Nine months ended December 31, 2022 of ₹ 154.93 lakhs as compared to ₹ 40.51 lakhs for the Nine months ended December 31, 2021, representing an increase of 282.44%. The increase was due to increase in Interest income and reduction of certain expenditures.

### **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>(in ₹ lakhs)</i>		
	Fiscal 2022	Fiscal 2021	Fiscal 2020
Net (loss) / profit before tax	130.49	9.46	(62.76)
Net cash from/ (used in) operating activities	(1,202.08)	1.74	11.95
Net cash from/ (used in) investing activities	(0.01)	(0.02)	(12.69)
Net cash from financing activities	1,085.30	0.00	0.00
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>0.87</b>	<b>1.72</b>	<b>(0.74)</b>
Cash and cash equivalents at the beginning of the year/period	3.49	1.77	2.50
<b>Cash and cash equivalents at year/period end</b>	<b>4.36</b>	<b>3.49</b>	<b>1.77</b>

#### **Operating activities**

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

Net cash used in operating activities for the period ended March 31, 2022 was ₹ (1,202.08) lakhs as compared to the Net Profit before tax of ₹ 130.49 lakhs for the same period. This difference is primarily due to adjustment for decrease trade receivable, decrease in Loans and Advances and Increase in Current Liabilities.

Net cash generated from operating activities for the period ended March 31, 2021 was ₹ 1.74 lakhs as compared to the Net Profit before tax of ₹ 9.46 lakhs for the same period. This difference is primarily due to adjustment for decrease trade receivable, decrease in Loans and Advances and Increase in Current Liabilities.

Net cash generated from operating activities for the period ended March 31, 2020 was ₹ 11.95 Lakhs as compared to the Net Loss before tax of ₹ (62.76) Lakhs for the same period. This difference is primarily due to decrease in Loans and Advances and Increase in Current Liabilities.

#### **Investing activities**

Investing activities comprises of purchase of fixed assets/ Recognition of ROU Asset.

Net cash used in investing activities for period ended March 31, 2022 was ₹ (0.01) Lakhs. This was predominantly on account of Purchase of Fixed assets/Recognition of ROU Assets.

Net cash used in investing activities for period ended March 31, 2021 was ₹ (0.02) Lakhs. This was mainly on account of Purchase of Fixed assets/Recognition of ROU Assets.

Net cash used in investing activities for period ended March 31, 2020 was ₹ (12.69) Lakhs. This was mainly on account of Purchase of Fixed assets/Recognition of ROU Assets.

#### **Financing activities**

Financing activities comprises of Cash Flow from borrowings & other Financial Liabilities.

Net cash generated from financing activities for period ended March 31, 2022 was ₹ 1,085.30 Lakhs. This was on predominantly account of Cash flow from borrowings and other Financial Liabilities.

Net cash used or generated from in financing activities for period ended March 31, 2021 was Nil.

Net cash used in or generated from financing activities for period ended March 31, 2020 was Nil.

### **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 75 of this Draft Letter of Offer.

### **Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 20 and 117, respectively, to our knowledge there are no known trends or uncertainties that have or are expected to have a material adverse impact on our income from continuing operations.

### **Unusual or Infrequent Events or Transactions**

Except as described elsewhere in this Draft Letter of Offer, there have been no unusual or infrequent events or transactions including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses.

### **Significant economic/regulatory changes**

Government policies governing the sector in which we operate as well as the overall growth of the Indian economy has a significant bearing on our operations. Major changes in these factors can significantly impact income from continuing operations.

There are no significant economic changes that materially affected our Company’s operations or are likely to affect income except as mentioned in the section titled “*Risk Factors*” on page 20.

Except as disclosed in this Draft Letter of Offer, to our knowledge, there are no significant regulatory changes that materially affected or are likely to affect our income from continuing operations.

### **Expected future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known**

Other than as described in the section titled “*Risk Factors*” and chapter titled “*Management's Discussion and Analysis of Financial Conditions and Results of Operations*” beginning on pages 20 and 117, respectively, and

elsewhere in this Draft Letter of Offer, there are no known factors to our knowledge which would have a material adverse impact on the relationship between costs and income of our Company. Our Company's future costs and revenues will be determined by demand/supply situation and government policies.

**The extent to which material increases in net revenue are due to increased sales volume, introduction of new products or services or increased sales prices**

The increase in revenue is by and large linked to increase in volume of all the activities carried out by the Company.

**Competitive Conditions**

We expect competition in the sector from existing and potential competitors to vary. However, on account of our core strengths like customer relationship management, active price negotiations and effective machine availability, we are able to stay competitive. For further details, kindly refer the chapter titled "*Our Business*" beginning on page 70.

**Total Turnover of Each Major Business Segment**

We currently operate in one business segment i.e. Financial Services Industry.

**New Product or Business Segment**

Except as disclosed in "Our Business" on page 70, we have not announced and do not expect to announce in the near future any new products or business segments.

**Seasonality of Business**

Our Company's business is not seasonal in nature.

**Significant dependence on a Single or Few Suppliers or Customers**

Other than as described in this Draft Letter of Offer, particularly in sections "*Risk Factors*" on page 20, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

**Related party transactions**

The details of Related Party Transactions for financial year 2021-22, 2021-20 and 2019-20 on standalone basis, please see the "Related Party Disclosure" in section titled "*Financial Information*" at page 75 of this Draft Letter of Offer.

**Significant Developments since last balance sheet date**

Except as disclosed above and in this Draft Letter of Offer, including under "*Our Business*" and "*Risk Factors*" on pages 70 and 20 respectively, to our knowledge no circumstances have arisen since December 31, 2022, the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

*Our Company is involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities. Except as disclosed below, there is no outstanding litigation 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) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation involving our Company, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the Materiality Policy.*

*For the purpose of (v) above, as per the materiality policy in accordance with our Company's 'Policy on determination of materiality of events' framed in accordance with Regulation 30 of the SEBI Listing Regulations, the materiality threshold considered is ₹ 103.74 lakhs (being 10% of Net Worth for Fiscal 2022) or above; and (ii) any other litigation involving our Company which may be considered material by our Company for the purposes of disclosure in this section of this Draft Letter of Offer ("Materiality Threshold").*

#### **Litigations involving our Company**

##### ***Proceedings involving issues of moral turpitude or criminal liability on the part of our Company***

Nil

##### ***Proceedings involving material violations of statutory regulations by our Company***

- a) An order dated August 31, 2018 was passed by the Adjudicating Officer ("AO") of the Securities and Exchange Board of India ("SEBI") imposing a penalty of ₹ 1.00 lakh, each, on our Company, our Promoter, Amarr Narendra Galla, our Whole-time Director, Ssamta Amar Gaala and members forming part of our Promoter Group, namely, Bharathi N. Gala and Bharat T Mamania. The penalty was imposed on our Promoter, Whole-time Director and members forming part of our Promoter Group, on account of failing to comply with Regulation 7(1)(b) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended and on our Company, for failing to comply with Regulation 7(2)(a) of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. Our Company, our Promoter, Whole-time Director and members forming part of our Promoter Group paid the aforementioned penalty on October 11, 2018.
- b) Our Company failed to comply with certain provisions of SEBI Listing Regulations and therefore the following fines were imposed by BSE Limited on our Company:

(in ₹)

S. No.	Particulars of non-compliance	Amount of fine imposed	Date of payment of fine
1.	Failure to appoint a company secretary and compliance officer during the quarter ended September 30, 2020 under the SEBI Listing Regulations	70,800	May 21, 2021
2.	Failure to submit financial results for the quarter ended March 31, 2020 under Regulation 33 of the SEBI Listing Regulations <sup>^</sup>	The fine imposed on our Company was waiver pursuant to an email dated January 25, 2021 received from BSE. The waiver was granted in view of the COVID-19 pandemic.	-

##### ***Economic offences where proceedings have been initiated against our Company***

Nil

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

Nil

## **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 the renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 48 of this Draft Letter of Offer.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

The Board of Directors in its meeting dated January 12, 2023 read with resolution passed by our Board on December 24, 2021 has authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

Our Board of Directors has, at its meeting held on [●], determined the Issue Price as ₹ [●] per Rights Equity Share in consultation with the Lead Manager, and the Rights Entitlement as [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held on the Record Date i.e., [●]

Our Company has received 'in-principle' approvals for listing of the Rights Equity Shares to be Allotted pursuant to Regulation 28 of SEBI Listing Regulations, *vide* letter dated [●] issued by BSE for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. Our Company will also make application to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 135 of this Draft 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 Draft Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None of our Directors or Promoter are associated with the securities market in any manner. There is no outstanding action initiated against them by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Prohibition by RBI

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

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent it may be applicable to them as on date of this Draft Letter of Offer.

### Eligibility for the Issue

Our Company is a listed company, incorporated under 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 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.

### Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI

ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE is the Designated Stock Exchange for the Issue.

### **Compliance with Part B of Schedule VI of the SEBI ICDR Regulations**

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the Designated 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 Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

### **Disclaimer Clause of SEBI**

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is up to ₹ 4,800 lakhs. 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](http://www.sebi.gov.in).

### **Disclaimer from our Company, our Directors and the LM**

Our Company, our Directors and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.enbeetrade.com](http://www.enbeetrade.com) or the respective websites of our Promoter Group or an affiliate of our Company would be doing so at his or her own risk.

All information shall be made available by our Company and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Investors will be required to confirm and will be deemed to have represented to our Company, Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

No information which is extraneous to the information disclosed in this Draft Letter of Offer or otherwise shall be given by our Company or any member of the Issue management team or the syndicate to any particular section of investors or to any research analyst in any manner whatsoever, including at road shows, presentations, in research or sales reports or at bidding centers.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlement, but only under

circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

### **Disclaimer in respect of Jurisdiction**

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

### **Disclaimer Clause of BSE**

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to the filing with the Stock Exchange.

### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE.

### **Listing**

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

### **Selling Restrictions**

This Draft Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Draft Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer, Application Form and the Rights Entitlement Letter (“**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 this Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer/ Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this the Draft Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

#### **NO OFFER IN THE UNITED STATES**

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

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

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

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulations under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

#### **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

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

RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

### **Consents**

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, the Lead Manager, legal advisor, the Registrar to the Issue and the Bankers to the Issue\* to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer.

*\*To be obtained prior to filing of the Letter of Offer*

Our Company has received written consent dated February 28, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 30, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated February 7, 2023 on the unaudited financial statements for the nine month period ended December 31, 2022; and (iii) statement of tax benefits dated February 28, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

### **Expert Opinion**

Our Company has received written consent dated February 28, 2023 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor and in respect of its (i) report dated May 30, 2022 on our Audited Financial Statements for the financial year ended March 31, 2022; (ii) limited review report dated February 7, 2023 on the unaudited financial statements for the nine month period ended December 31, 2022; and (iii) statement of tax benefits dated February 28, 2023 in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer. The term ‘expert’ and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, our Company has not obtained any expert opinions.

### **Filing**

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

### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Adroit Corporate Services Private Limited is our Registrar and Share Transfer Agent and 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. We have appointed Cameo Corporate Services Limited as the Registrar to the Issue and all investor grievances which shall be received by us with respect to this Issue shall be handled by the said Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

### **Investor Grievances arising out of this Issue**

Investors may contact the Registrar to the Issue or our Company Secretary for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” beginning at page 135 of this Draft Letter of Offer.

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

#### **Registrar to the Issue**

##### **Cameo Corporate Services Limited**

Subramanian Building, No. 01,  
Club House Road, Chennai- 600 002,  
Tamil Nadu, India.

**Telephone:** +91- 44 – 4002 0700

**Facsimile:** N.A.

**E-mail:** [priya@cameoindia.com](mailto:priya@cameoindia.com)

**Website:** [www.cameoindia.com](http://www.cameoindia.com)

**Investor Grievance e-mail:** [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Contact Person:** K. Sreepriya

**SEBI Registration No.:** INR000003753

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.

Ruchika Kabra, Company Secretary and Compliance Officer of our Company. Her contact details are set forth hereunder.

**Address:** B4 /C5, Gods Gift Chs Ltd,  
N M Joshi Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India  
**Telephone:** +91 22 7969 2512  
**E-mail:** [enbeetrade@gmail.com](mailto:enbeetrade@gmail.com)



## SECTION VII – ISSUE INFORMATION

### TERMS OF THE ISSUE

*This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.*

*Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (“SEBI – Rights Issue Circular”), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.*

### OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

#### **Important:**

#### *1) Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circular, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material, through email to the email addresses or physical delivery through registered post/speed post to all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided, only through email or physical delivery through registered post/ speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at [www.enbeetrade.com](http://www.enbeetrade.com);
- b) the Registrar to the Issue at <https://rights.cameoindia.com/enbee>
- c) the Lead Manager at [www.saffronadvisor.com](http://www.saffronadvisor.com); and
- d) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the issue at (i.e., <https://rights.cameoindia.com/enbee>) 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., [www.enbeetrade.com](http://www.enbeetrade.com)).

Our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by

entering their Folio Number.

2) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Procedure for Application through the ASBA Process*” on page 143 of the Draft 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 Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “Enbee Trade & Finance Limited”) opened by our Company, for the Resident Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity shares held by Eligible Equity shareholders in physical mode on record date (b) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (c) Equity Shares held in the account of IEPF authority; or (d) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. [●], [●] are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. [●], [●] in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], 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.

4) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 149.

5) *Application for Additional Equity Shares*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made

as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in “*Basis of Allotment*” beginning on page 156.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

- 6) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled “*Procedure for Application through the ASBA process*” on page 143 of this Draft Letter of Offer.
- 7) *Other important links and helpline:*

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

- a) Updation of Indian address by Non resident Eligible Equity shareholders in the records maintained by the Registrar or our Company: by email to [priya@cameoindia.com](mailto:priya@cameoindia.com)
- b) Updation of demat account details/ email address/ mobile number by resident Eligible Equity Shareholders holding shares in physical form: <https://rights.cameoindia.com/enbee>

### **Renounees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renounee(s) as well.

### **Authority for the Issue**

The Board of Directors in its meeting dated January 12, 2023 read with resolution passed by our Board on December 24, 2021 has authorised this Issue under Section 62(1) (c) of the Companies Act, 2013.

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

Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated [●].

### **Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### **Rights Entitlement (“REs”) (Rights Equity Shares)**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://rights.cameoindia.com/enbee>) 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 ([www.enbeetrade.com](http://www.enbeetrade.com)).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity 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.

The Letter of Offer will be provided, through email or physical delivery through registered post/ speed post, 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. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange's websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, 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. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

Our Company, Lead Manager 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.

## **PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE**

### **Face Value**

Each Rights Equity Share will have the face value of ₹ 10.

### **Issue Price**

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹

[●] per Rights Equity Share) in the Issue. The Issue Price has been arrived at by our Company in consultation with the Lead Manager prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on [●], has determined the Issue Price, in consultation with the Lead Manager.

### **Rights Entitlement Ratio**

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

### **Rights of instrument holder**

Each Rights Equity Share shall rank pari passu with the existing Equity Shares of the Company.

### **Terms of Payment**

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

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] Rights Equity Share(s) for every [●] Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Share(s) or not in the multiple of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds [●] Equity Shares, such Shareholder will be entitled to [●] Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than [●] Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (One) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. **Application Forms with zero entitlement will be non-negotiable/non-renounceable.**

### **Ranking**

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

### **Mode of payment of dividend**

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. [●] for REs so obtained will be

permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE993I01011 on BSE (Scrip Code: 512441). Our Equity Shares are not listed on National Stock Exchange of India Limited. 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 no. [●] dated [●]. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company. The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange.

The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

For details of trading and listing of Rights Equity Shares, please refer to the heading “*Terms of Payment*” at page 139 of this Draft Letter of Offer.

### **Subscription to the Issue by our Promoters and Promoter Group**

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see “*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*” on page 46.

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of holders of Equity Shares**

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association

### **General terms of the Issue**

## **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

## **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

## **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

## **Arrangements for Disposal of Odd Lots**

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

## **New Financial Instruments**

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

## **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

## **Notices**

In accordance with the SEBI ICDR Regulations and SEBI Rights Issue Circular, our Company will send, through email or physical delivery through registered post/ speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all 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. The Letter of Offer will be provided, through email or physical delivery through registered post/ speed post, 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.

Our Company, Lead Manager 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 one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one (1) Marathi language daily newspaper with wide circulation at Maharashtra, where

our Registered Office is situated.

## **PROCEDURE FOR APPLICATION**

### **How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular 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, see “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 149.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, 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 Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity 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.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery through registered post/ speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they 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.

Our Company, Lead Manager 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.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Investors can 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:

- a) Our Company at [www.enbeetrade.com](http://www.enbeetrade.com);
- b) the Registrar to the Issue at <https://rights.cameoindia.com/enbee>
- c) the Lead Manager at [www.saffronadvisor.com](http://www.saffronadvisor.com); and
- d) the Stock Exchange at [www.bseindia.com](http://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://rights.cameoindia.com/enbee>) 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., [www.enbeetrade.com](http://www.enbeetrade.com)). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue



Circular, 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 i.e. [●], [●], 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 submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, 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 see “*Grounds for Technical Rejection*” on page 154. 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, see “*Application on Plain Paper under ASBA process*” on page 146.

### **Options available to the Eligible Equity Shareholders**

Details of each Eligible Equity Shareholders Rights Entitlement will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://rights.cameoindia.com/enbee> and link of the same would also be available on the website of our Company at ([www.enbeetrade.com](http://www.enbeetrade.com)). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. [●], [●], desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in “*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*” on page 149.

### **Procedure for Application through the ASBA process**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

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

### **Self-Certified Syndicate Banks**

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the 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 143.

### **Additional Rights Equity Shares**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under the section titled "*Terms of the Issue*" on page 135. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 156.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

### **Applications by Overseas Corporate Bodies**

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("**OCBs**"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renounee 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 Renounee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

## **Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

### **(a) On Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchange from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

### **(b) Off Market Renunciation**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], 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 has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue, Manager to the Issuer or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible 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, may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Bengaluru and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “*Modes of Payment*” on page 147.

The envelope should be super scribed “*Enbee Trade & Finance Limited – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Enbee Trade & Finance Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ [●] per Rights Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*“I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be,*

registered under the United States Securities Act of 1933, as amended (“**US Securities Act**”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (“**United States**”) or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act (“**Regulation S**”). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, the Lead Manager 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, the Lead Manager or any other person acting on behalf of us have reason to believe is a resident of the United States “U.S. Person” (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

“I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

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

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, Lead Manager 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 . Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date.

### **Last date for Application**

The last date for submission of the duly filled in Application Form is [●]. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the 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 156.

### **Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not

accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility or internet banking. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

#### ***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.

#### ***Mode of payment for Non-Resident Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of 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 at [priya@cameoindia.com](mailto:priya@cameoindia.com).

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, our Company or the Lead Manager.

*Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request*

*in this regard.*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External (“NRE”) accounts, or Foreign Currency Non-Resident (“FCNR”) Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary (“NRO”) accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

#### **Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

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

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date; Alternatively they can upload the documents in the online portal of the Registrar i.e., <https://rights.cameoindia.com/enbee>.
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in “*Application on Plain Paper under ASBA process*” beginning on page 146.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

**PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT**

**LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **Allotment of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE.**

**FOR DETAILS, SEE “ALLOTMENT ADVICES/UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 157.**

#### **General instructions for Investors**

- (a) Please read this Draft Letter of Offer, Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- (c) Please read the instructions on the Application Form sent to you.
- (d) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.
- (e) Application should be made only through the ASBA facility.
- (f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- (g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 143.
- (h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) 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.
- (k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar and the Lead Manager.
- (l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money



in the ASBA Account mentioned in the Application Form.

- (m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.
- (r) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (s) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (t) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- (u) In case of change of status of holders, *i.e.*, from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager

*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 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, Registrar or the Lead Manager 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 authorised 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 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 (i.e any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. The Lead Manager and 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 a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

**Do’s:**

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation (“**Demographic Details**”) are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, 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 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.
- (b) 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.
- (c) 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.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (e) 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.
- (f) 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.
- (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

**Don'ts for Investors applying through ASBA:**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a

Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

### **Grounds for Technical Rejection**

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

- (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 Lead Manager, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application forms supported by amounts blocked from a third party bank account.
- (o) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (p) 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.
- (q) Applications which: (i) appears to our Company or its agents to have been executed in, electronically

transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

- (r) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (s) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

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 authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account 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, Registrar or the Lead Manager 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**

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, see "*Investment by Mutual Funds*" below on page 161.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms

along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue* ” on page 46).

## 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

<b>Issue Opening Date</b>	[●]
<b>Last date for receiving requests for Application Form and Rights Entitlement Letter</b>	[●]
<b>Issue Closing Date*</b>	[●]
<b>Finalising the basis of allotment with the Designated Stock Exchange</b>	[●]
<b>Date of Allotment (on or about)</b>	[●]
<b>Initiation of refunds</b>	[●]
<b>Date of credit (on or about)</b>	[●]
<b>Date of listing (on or about)</b>	[●]

*\*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).*

*\*\*Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Lead Manager and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

## Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- (b) As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, therefore those Equity Shareholders holding less than [●] ([●]) Equity Shares would be entitled to ‘Zero’ Rights Equity Shares under this Issue, Application Form with ‘Zero’ entitlement will be send to such shareholders. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the allotment of 1 (One) Rights Equity Share if, such Equity Shareholders have applied for the Additional Rights Equity Shares, subject to availability of Rights Equity shares post allocation towards Rights Entitlement applied for. Allotment under this head shall be considered if there are any un-subscribed Equity Shares after Allotment under (a) above. If the number of Rights Equity Shares required for Allotment under this head is more than 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.
- (c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- (e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- (f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

#### **Allotment Advices/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 issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 1 day from the finalisation of Basis of allotment T+1, T being the date of approval of basis of allotment. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 1 day' period.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post or email intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

The letter of allotment or refund order would be sent by registered post, email or speed post/registered post to the sole/ first Investor's address or the email address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the event, our Company fails to obtain listing or trading permission from the Stock Exchange, we shall refund the entire proceeds of the Issue within four days of receipt of intimation from the Stock Exchange rejecting the application for listing of Equity Shares, and if any such money is not repaid within four days after our Company

becomes liable to repay we shall, on and from the expiry of the fourth day, be liable to repay that money with interest at the rate of fifteen per cent. per annum.

## **Payment of Refund**

### ***Mode of making refunds***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. Unblocking amounts blocked using ASBA facility;

**2. National Automated Clearing House (“NACH”)** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.

**3. National Electronic Fund Transfer (“NEFT”)** – Payment of refund shall be undertaken through NEFT wherever the Investors’ bank has been assigned the Indian Financial System Code (“**IFSC Code**”), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

**4. Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.

**5. RTGS** – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor’s bank receiving the credit would be borne by the Investor.

6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

### ***Refund payment to Non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

### **Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor’s bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.



### **Allotment advice or Demat Credit**

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

### **Option to receive Right Equity Shares in Dematerialised Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**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. Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to “Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form” on page 149.**

### **Investment by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

### **Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)**

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Investment by AIFs, FVCIs and VCFs**

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“**SEBI VCF Regulations**”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“**SEBI FVCI Regulations**”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“**SEBI AIF Regulations**”) prescribe, among other things, the investment restrictions on AIFs.

**As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.**

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

#### **Applications will not be accepted from FPIs in restricted jurisdictions.**

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

#### **Investment by NRIs**

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by Mutual Funds**

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

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

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

#### **Procedure for applications by Systemically Important NBFCs**

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

#### **Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

#### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

### **Dematerialised Dealing**

Our Company has entered into tripartite agreements dated January 11, 2008 and February 25, 2008 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE993I01011.

### **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 would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

### **Utilization of Issue Proceeds**

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **Undertakings by our Company**

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) 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.
- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, 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.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) 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.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

### **Minimum subscription**

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

### **Filing**

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

### **Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Important**

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. 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 20.

All enquiries in connection with this Draft Letter of Offer, the 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 “*Enbee Trade & Finance Limited – Rights Issue*” on the envelope to the Registrar at the following address:

**Cameo Corporate Services Limited**

Subramanian Building, No. 01,  
Club House Road, Chennai- 600 002,  
Tamil Nadu, India.

**Telephone:** +91- 44 – 4002 0700

**Facsimile:** N.A.

**E-mail:** [priya@cameoindia.com](mailto:priya@cameoindia.com)

**Website:** [www.cameoindia.com/](http://www.cameoindia.com/) <https://rights.cameoindia.com/enbee>

**Investor Grievance e-mail:** [investor@cameoindia.com](mailto:investor@cameoindia.com)

**Contact Person:** K. Sreepriya

**SEBI Registration No.:** INR000003753

**Validity of Registration:** Permanent

The Issue will remain open for a minimum period of 7 (seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (thirty) 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 FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2017 (“**FDI Circular 2017**”), which, with effect from August 28, 2017, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2017 will be valid until the DPIIT issues an updated circular.

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 Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

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.

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

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

## **SECTION VIII – STATUTORY AND OTHER INFORMATION**

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 i.e. [●].



## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, would be available on the website of the Company at [www.enbeetrade.com](http://www.enbeetrade.com) from the date of this Draft Letter of Offer until the Issue Closing Date.

### 1. Material Contracts for the Issue

- (i) Issue Agreement dated February 06, 2023 entered into between our Company and the Lead Manager.
- (ii) Registrar Agreement dated November 7, 2022 entered into amongst our Company and the Registrar to the Issue.
- (iii) Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

### 2. Material Documents

- (i) Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- (ii) Annual Reports of the Company for the past five years.
- (iii) Certificate of incorporation dated July 24, 1985.
- (iv) Certificate of commencement of business dated August 6, 1985.
- (v) Resolution of the Board of Directors dated January 12, 2023 read with resolution passed by our Board on December 24, 2021 in relation to the Issue.
- (vi) Resolution of the Board of Directors dated February 28, 2023 approving and adopting this Draft Letter of Offer.
- (vii) Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
- (viii) Resolution of our Board dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.
- (ix) Consent of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditor, Lead manager, Bankers to the Issue\*, Legal Advisor, the Registrar to the Issue for inclusion of their names in the Draft Letter of Offer in their respective capacities.  
*\*To be obtained at the time of filing of the Letter of Offer.*
- (x) The report dated May 30, 2022 of the Statutory Auditor, on our Audited Financial Statements for the financial year ended March 31, 2022, included in this Draft Letter of Offer.
- (xi) The limited review report dated February 7, 2023 on the unaudited financial statements for the nine month period ended December 31, 2022 included in this Draft Letter of Offer.
- (xii) Statement of Tax Benefits dated February 28, 2023 from the Statutory Auditor included in this Draft Letter of Offer.
- (xiii) Tripartite Agreement dated January 11, 2008 between our Company, NSDL and the Registrar to the Issue.
- (xiv) Tripartite Agreement dated February 25, 2008 between our Company, CSDL and the Registrar to the Issue.

(xv) In principle listing approvals dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the 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 Draft 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 Draft Letter of Offer are true and correct.

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

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**Amarr Narendra Galla**  
(Chairman and Managing Director)

Sd/-

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**Ssamta Amar Gaala**  
(Whole-time Director)

Sd/-

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**Akash Shailesh Gangar**  
(Independent Director)

Sd/-

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**Jayesh Gulabbhai Patel**  
(Independent Director)

### SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

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**Meyhul Narendra Gaala**

**Place:** Mumbai

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**Date:** February 28, 2023