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IBL FINANCE LIMITED

Corporate Identification Number: U65999GJ2017PLC098565

| REGISTERED OFFICE | | CORPORATE OFFICE | CONTACT PERSON | EMAIL |
|---|---|---|---|--|
| Shop-151, Silver Stone Arcade, Near. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanpore, Causeway Road, Katargam, Surat - 395004, Gujarat, India | | N.A. | Dilipbhai Chauhan, Company Secretary & Compliance Officer | compliance@iblfinance.in |
| TELEPHONE / MOBILE NO. | | WEBSITE | | |
| 9828116900 | | https://iblfinance.in/ | | |
| THE PROMOTERS OF OUR COMPANY ARE MANISH PATEL, PIYUSH PATEL AND MANSUKHBHAI PATEL | | | | |
| Type | Fresh Issue Size | OFS size (by no. of shares or by amount in Rs) | Total Issue Size | Eligibility |
| Fresh Issue | Up to 67,25,000 Equity shares aggregating up to ₹ [•] Lakhs | NA | Up to ₹ [•] Lakhs | The Issue is being made pursuant to Regulation 229(1) of SEBI (ICDR) Regulations. As the Company's post issue paid up capital is less than or equal to ₹10.00 crores |
| DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS - NA | | | | |
| RISK IN RELATION TO THE FIRST ISSUE | | | | |
| This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [•] times of the face value of the Equity Shares. The Issue Price determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 80 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing. | | | | |
| GENERAL RISKS | | | | |
| Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India ("SEBI") nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 20 of this Draft Prospectus. | | | | |
| COMPANY'S ABSOLUTE RESPONSIBILITY | | | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Prospectus 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. | | | | |
| LISTING | | | | |
| The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ('NSE EMERGE'), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle approval letter dated [•] from NSE Limited. | | | | |
| LEAD MANAGERS TO THE ISSUE | | | REGISTRAR TO THE ISSUE | |
|  <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 Investor Grievance E-Mail: mb@fedsec.in</p> | | |  <p>BIGSHARE SERVICES PRIVATE LIMITED Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Cave Road, Andheri - [East], Mumbai - 400093, Maharashtra, India. Tel No.: +91 22 6263 8200 Fax No.: +91 22 6263 8299 Email: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C SEBI Registration No.: INR000001385</p> | |
| ISSUE PROGRAMME | | | | |
| ISSUE OPENS ON: [•] | | | ISSUE CLOSES ON: [•] | |



IBL FINANCE LIMITED

Our Company was originally incorporated as a private company in the name and style of "IBL Finance Private Limited" under Companies Act, 2013 vide certificate of incorporation dated August 03, 2017 issued by Registrar of Companies, Central Registration Center. Our Company was converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the Extra-Ordinary General Meeting held on April 27, 2023 and consequently upon conversion, the name of our Company was changed to "IBL Finance Limited" vide a fresh certificate of incorporation dated May 22, 2023, bearing Corporate Identification Number U65999GJ2017PLC098565 issued by the Registrar of Companies, Ahmedabad.

Registered Office: Shop-151, Silver Stone Arcade, Near. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanpore, Causeway Road, Katargam, Surat - 395004, Gujarat, India a

Tel No.: 9828116900; **Email:** compliance@iblfinance.in; **Website:** <https://iblfinance.in/>

Contact Person: Dilipbhai Chauhan, Company Secretary & Compliance Officer

OUR PROMOTERS: MANISH PATEL, PIYUSH PATEL AND MANSUKHBHAI PATEL

THE ISSUE

INITIAL PUBLIC ISSUE* OF UPTO 67,25,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH ("EQUITY SHARES") OF IBL FINANCE LIMITED ("THE COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (THE "ISSUE PRICE"), (INCLUDING A PREMIUM OF ₹ [•] PER EQUITY SHARE), AGGREGATING ₹ [•] LAKHS ("THE ISSUE"), OF WHICH [•] EQUITY SHARES OF FACE VALUE OF ₹ 10/- FOR CASH AT A PRICE OF ₹ [•] EACH AGGREGATING ₹ [•] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE, AGGREGATING TO ₹ [•] LAKHS IS HERE IN AFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•] % AND [•] % RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF THE COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 221 OF THIS DRAFT PROSPECTUS.

*SUBJECT TO FINALISATION OF BASIS OF ALLOTMENT

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10/- EACH AND THE ISSUE PRICE IS [•] TIMES OF THE FACE VALUE

THIS ISSUE IS BEING MADE THROUGH FIXED PRICE PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED AND RULE 19(2)(b)(i) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED, THIS IS AN ISSUE FOR AT LEAST 25% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO CHAPTER TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 231 OF THIS DRAFT PROSPECTUS. A COPY OF PROSPECTUS WILL BE FILED WITH THE REGISTRAR OF COMPANIES IN ACCORDANCE WITH SECTION 26 OF THE COMPANIES ACT, 2013.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount ("ASBA") process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, please refer to chapter titled "Issue Procedure" on page 231 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹ 10/- per Equity Shares and the Issue price is ₹ [•] per Equity Share and the Issue Price is [•] times of the face value. The Issue Price as determined by our Company in consultation with the Lead Manager as stated in the chapter titled on "Basis for Issue Price" beginning on page 79 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Prospectus. Specific attention of the investors is invited to the chapter titled "Risk Factors" beginning on page 20 of this Draft Prospectus.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the EMERGE Platform of National Stock Exchange of India Limited ("NSE EMERGE"), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [•] from NSE EMERGE for using its name in this Offer Document for listing of our shares on the NSE EMERGE. For the purpose of this Issue, the Designated Stock Exchange will be NSE Limited.

LEAD MANAGERS TO THE ISSUE

REGISTRAR TO THE ISSUE



FEDEX SECURITIES PRIVATE LIMITED

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle – [East], Mumbai - 400 057, Maharashtra, India

Tel No.: +91 81049 85249

E-mail: mb@fedsec.in

Website: www.fedsec.in

Contact Person: Saipan Sanghvi

SEBI Registration Number: INM000010163

Investor Grievance E-Mail: mb@fedsec.in



BIGSHARE SERVICES PRIVATE LIMITED

Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Cave Road, Andheri - [East], Mumbai - 400093, Maharashtra, India.

Tel No.: +91 22 6263 8200

Fax No.: +91 22 6263 8299

Email: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Babu Rapheal C

SEBI Registration No.: INR000001385

ISSUE PROGRAMME

| | |
|-------------------------|-----|
| ISSUE OPENS ON: | [•] |
| ISSUE CLOSES ON: | [•] |

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**SECTION - I – GENERAL
DEFINITION AND ABBREVIATIONS**

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

The words and expressions used in this Draft Prospectus, but not defined herein shall have, to the extent applicable, the meaning ascribed to such terms under SEBI ICDR Regulations 2018, the Companies Act 2013, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the chapters titled “*Statement of Tax Benefits*”, “*Restated Financial Statement*”, “*Outstanding Litigations and Material Developments*”, “*Key Industry Regulations and Policies*” and “*Main Provisions of Articles of Association*” on pages 87, 143, 192, 109 and 260 respectively, of this Draft Prospectus shall have the meanings ascribed to such terms in the respective chapters.

CONVENTIONAL OR GENERAL TERMS

| Term | Description |
|---|--|
| “IBL Finance Limited”, “IBLFL”, “We” or “us” or “Our Company” or the “Issuer” | Unless the context otherwise indicates or implies refers to IBL Finance Limited, a Public Limited Company incorporated under the provisions of the Companies Act, 2013 with its Registered office at Shop-151, Silver Stone Arcade, Nr. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanpore Causway Road, Surat – 395004, Gujarat, India |
| Promoter(s) / Core Promoter(s) | Manish Patel, Piyush Patel and Mansukhbhai Patel |
| Promoter Group | Such persons, entities and companies constituting our promoter group pursuant to Regulation 2(1) (pp) of SEBI ICDR Regulations as disclosed in the chapter titled “ <i>Our Promoter and Promoter Group</i> ” on page 137 of this Draft Prospectus. |
| “you”, “your” or “yours” | Prospective Investors in this Issue. |

CORPORATE RELATED TERMS

| Term | Description |
|---|---|
| AOA / Articles / Articles of Association | The Articles of Association of IBL Finance Limited, as amended from time to time. |
| Audit Committee | The Audit Committee of the Board of Directors constituted in accordance with Section 177(1) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as described in “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| Auditors / Statutory Auditors / Peer Review Auditor | The Statutory Auditor of our Company, being VCAS & Co. , Chartered Accountant (FRN: 123372W) and Peer Review Number: 015194 |
| Board / Board of Directors / Our Board | The Board of Directors of our Company, including all committees duly constituted from time to time as described in “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| Chairman | The Chairman of our Company, being Manish Patel |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, being Dilipbhai Chauhan |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company, being Unnatiben Mistry |
| Corporate Identification Number (CIN) | U65999GJ2017PLC098565 |
| Director(s) | Director(s) on the Board of IBL Finance Limited as appointed from time to time, unless otherwise specified. |
| Equity Shares/Shares | Equity Shares of our Company having face value of ₹ 10.00/- each, fully paid up, unless otherwise specified in the context thereof. |
| Equity Shareholders / Shareholders | Persons /entities holding Equity Shares of our Company. |
| Executive Directors | Executive directors are the Managing Director and Whole-time Directors of our Company |
| Group Companies | In terms of SEBI ICDR Regulations, the term ‘group companies’ includes companies (other than our Subsidiary) with which there were related party transactions in accordance with accounting standard in the Restated Financial Statement and any other companies as considered material by our Board, as specified in as covered under the applicable accounting standards, and as disclosed in the chapter titled “ <i>Our Group Companies</i> ” on page 141 of this Draft Prospectus. |

| Term | Description |
|--------------------------------------|---|
| Independent Director | Independent directors on the Board, and eligible to be appointed as an independent director under the provisions of Companies Act and SEBI Listing Regulations. For details of the Independent Directors, please refer to chapter titled “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| ISIN | International Securities Identification Number is INE007401018 |
| Key Management Personnel /KMP | Key Management Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| Managing Director / MD | Managing Director of our Company, Manish Patel. For details, please refer to the chapter titled “ <i>Our Management</i> ” beginning on page 125 of this Draft Prospectus. |
| Market Maker | The Market Maker of our Company being [●] |
| Materiality Policy | The policy adopted by our Board on June 21, 2023 for identification of group companies of our Company, outstanding litigation and outstanding dues to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations |
| MoA / Memorandum of Association | The Memorandum of Association of our Company, as amended from time to time. |
| Nomination & Remuneration Committee | The Nomination and Remuneration Committee of our Board in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and as described in the chapter titled “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| NRI / Non-Resident Indian | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Registered Office | Shop-151, Silver Stone Arcade, Nr. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanore Causway Road, Surat – 395004, Gujarat, India. |
| Registrar of Companies / ROC / RoC | Registrar of Companies, Ahmedabad situated at ROC Bhavan, Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad 380013, Gujarat |
| Restated Financial Statements | The Restated Audited Financial Statements of our Company for the Financial Years ended March 31, 2023, March 31, 2022 and March 31, 2021, which comprises of the restated audited balance sheet, restated audited statement of profit and loss and the restated audited cash flow statement, together with the annexures and notes thereto disclosed in chapter titled “ <i>Restated Financial Statements</i> ” on page 143 of this Draft Prospectus. |
| Shareholders/ Members | Holders of equity shares of our Company from time to time |
| Senior Management | Senior Management Personnel of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations, as described in “ <i>Our Management</i> ” on page 125 of this Draft Prospectus. |
| Stakeholders’ Relationship Committee | The Stakeholders Relationship Committee of the Board of Directors constituted as the Company’s Stakeholders’ Relationship Committee in accordance with Section 178(5) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and described in the chapter titled “ <i>Our Management</i> ” 125 of this Draft Prospectus. |
| Whole-time director | The whole-time directors of our Company |

ISSUE RELATED TERMS

| Term | Description |
|---|--|
| Abridged Prospectus | Abridged Prospectus to be issued under SEBI ICDR Regulations and appended to the Application Forms. |
| Acknowledgement Slip | The acknowledgement slips or document issued by the Designated Intermediary to an applicant as proof of having accepted the Application Form. |
| Allot / Allotment / Allotted / Allotment of Equity Shares | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants. |
| Allottee(s) | A successful Applicant to whom the Equity Shares are being allotted. |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful applicant who have been or are to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange. |
| Allotment Date | Date on which the Allotment is made. |

| Term | Description |
|---|--|
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms of the Prospectus. All the applicants should make application through ASBA only. |
| Application Lot | [●] Equity Shares and in multiples thereof. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of the Prospectus. |
| Application Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by applicants to make an application and authorize an SCSB to block the application Amount in the ASBA Account. |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by applicant for blocking the application Amount mentioned in the ASBA Form. |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Applicant which will be considered as the application for Allotment in terms of the Prospectus. |
| Bankers to the Company | Yes Bank Limited & Kotak Mahindra Bank |
| Banker to the Issue / Refund Banker / Public Issue Bank | The banks which are clearing members and registered with SEBI as Banker to an Issue with whom the Public Issue Account and Refund Account will be opened and in this case being [●]. |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants under the Issue, described in “ <i>Issue Procedure</i> ” on page 231 of this Draft Prospectus. |
| Business Day | Any day on which commercial banks are open for the business. |
| CAN /Confirmation of Allocation Note | A note or advice or intimation sent to Investors, who have been allotted the Equity Shares, after approval of Basis of Allotment by the Designated Stock Exchange. |
| Client ID | Client Identification Number of the Applicant’s Beneficiary Account. |
| Collection Centers | Broker Centers notified by National Stock Exchange of India Limited where bidders can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers, are available on the website EMERGE Platform of the National Stock Exchange of India Limited. |
| Collecting Depository Participant or CDP | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Application Forms at the Designated CDP Locations (in terms of circular no. GR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI) as per the list available on the website of the Stock Exchange. |
| Controlling Branches/ Controlling Branches of the SCSBs | Such branches of the SCSBs which co-ordinate Application Forms by the ASBA Bidders with the Registrar to the Issue and EMERGE Platform of National Stock Exchange of India Limited and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Covid – 19 | The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organization. |
| Demographic Details | The demographic details of the Applicant such as their address, PAN, occupation, bank account details and UPI ID (as applicable). |
| Depositories | National Securities Depositories Limited (NSDL) and Central Depository Services Limited (CDSL) or any other Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Depository Participant/DP | A depository participant registered with SEBI under the Depositories Act. |
| Designated CDP Locations | Such centers of the CDPs where applicant can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the website of National Stock Exchange of India Limited. |
| Designated Date | The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Prospectus, following which the Board may Allot Equity Shares to successful Bidders in the Issue. |
| Designated Intermediaries | The members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue. |
| Designated Market Maker | [●] will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |

| Term | Description |
|---|---|
| Designated RTA Locations | Such locations of the RTAs where applicant can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with the names and contact details of the RTAs are available on the National Stock Exchange of India Limited. |
| Designated SCSB Branches | Such Branches of the SCSBs which shall collect the ASBA Forms used by the applicant, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 |
| Designated Stock Exchange | EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) |
| Draft Prospectus | The Draft Prospectus dated August 14, 2023 issued in accordance with the SEBI ICDR Regulations. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRI | NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the ASBA Form and the Draft Prospectus will constitute an invitation to subscribe to or to purchase the Equity Shares and who have opened dematerialized accounts with SEBI registered qualified depository participants. |
| Eligible QFIs | Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation to participate in the Issue and in relation to whom the Draft Prospectus constitutes an invitation to subscribe to Equity Shares issued thereby, and who have opened dematerialized accounts with SEBI registered qualified depository participants, and are deemed as FPIs under SEBI FPI Regulations. |
| Escrow Account(s) | Account opened with the Escrow Collection Bank(s) and in whose favour the Investors will transfer money through direct credit/NEFT/RTGS/NACH in respect of the Applicant Amount. |
| Escrow Agreement | An agreement to be entered among our Company, the Registrar to the Issue, the Escrow Collection Bank(s), Refund Bank(s) and the Lead Manager for the collection of Application Amounts and where applicable, for remitting refunds, on the terms and conditions thereof. |
| Escrow Collection Bank(s) | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Accounts will be opened, in this case being [●]. |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First Applicant | Applicant whose name appears first in the Application Form in case of a joint application form and whose name shall also appear as the first holder of the beneficiary account held in joint names or in any revisions thereof. |
| Foreign Portfolio Investor / FPIs | Foreign Portfolio Investor as defined under SEBI FPI Regulations. |
| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020, and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time. notified by SEBI, suitably modified and included in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 231 of this Draft Prospectus |
| Issue / Issue Size / Public Issue / IPO | Initial Public Issue of 67,25,000 Equity Shares of face value of ₹10.00 each of our Company for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating to ₹ [●] Lakhs. |
| Issue Agreement | The agreement dated July 28, 2023 between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Issue Closing Date | The date on which the Issue closes for subscription. |
| Issue Opening Date | The date on which the Issue opens for subscription. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date (inclusive of such date and the Issue Opening Date) during which prospective bidders can submit their Application Forms, inclusive of any revision thereof. Provided however that the applications shall be kept open for a minimum of three (3) Working Days for all categories of bidders. Our Company, in consultation with the Lead Manager, may decide to close applications by QIBs one (1) day prior to the Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Issue Opening Date was published. |
| Issue Price | ₹ [●] per Equity Share (Including Premium of ₹ [●] per share) |

| Term | Description |
|---|--|
| Issue Proceeds | The proceeds from the Issue based on the total number of equity shares allotted under the issue. |
| KPI | Key Performance Indicator |
| Lead Manager/ LM | The Lead Manager to the Issue namely, Fedex Securities Private Limited. |
| Listing Agreement | The Listing Agreement to be signed between our Company and EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) |
| Mandate Request | Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Making Agreement | The Market Making Agreement dated [●] between our Company, the Lead Manager and Market Maker. |
| Market Maker Reservation Portion | The reserved portion of [●] Equity Shares of face value of ₹. 10.00/- each fully paid-up for cash at a price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs for the Market Maker in this Issue. |
| MSME | Micro Small and Medium Enterprises. |
| Mutual Fund(s) | Mutual fund(s) registered with SEBI pursuant to SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| NSE | National Stock Exchange of India Limited |
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of face value ₹10.00/- each fully paid-up of our Company for cash at a price of ₹. [●] /- per Equity Share aggregating up to ₹ [●] Lakhs. |
| Net Proceeds | The Issue Proceeds less the Issue related expenses. For further details, please refer to chapter titled “ <i>Objects of the Issue</i> ” on page 75 of this Draft Prospectus. |
| Non-Institutional Bidders / Non-Institutional Investor / NIB/ NII | All Applicants (including Eligible NRIs), who are not QIBs or Retail Individual Bidders and who have applied for Equity Shares for an amount of more than ₹ 2,00,000. |
| Non-Resident | A person resident outside India, as defined under FEMA and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI. |
| Overseas Corporate Body/ 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 as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time. OCBs are not allowed to invest in this Issue. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership firm, limited liability partnership firm, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context may require. |
| Prospectus | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and Closing date and other information. |
| Public Issue Account | The account to be opened with the Banker to the Issue under section 40 of Companies Act, 2013 to received monies from the ASBA Accounts. |
| QIBs or Qualified Institutional Buyers | Qualified Institutional Buyers as defined under Regulation 2(1) (ss) of SEBI ICDR Regulations. |
| Refund Account | Account to which Application monies are to be refunded to the Bidders |
| Refund through electronic transfer of funds | Refunds through NECS, NEFT, direct credit, NACH or RTGS, as applicable. |
| Registered Brokers | Stock brokers registered with SEBI as trading members (except Syndicate/sub-Syndicate Members) who hold valid membership of NSE Limited having right to trade in stocks listed on Stock Exchange and eligible to procure Application Forms in terms of SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012. |
| Registrar Agreement | The agreement dated August 01, 2023 entered between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar pertaining to the Issue. |
| Registrar and Share Transfer Agents or RTAs | Registrar and Share Transfer Agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Registrar to the Issue/Registrar | Registrar to the Issue being Bigshare Services Private Limited. |
| Resident Indian | A person resident in India, as defined under FEMA |

| Term | Description |
|--|---|
| Retail Individual Investors | Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000. |
| Revision Form | The form used by the Applicant, to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s) QIB Applicant and Non-Institutional Applicant are not allowed to lower their Application Forms (in terms of quantity of Equity Shares or the Application Amount) at any stage. Retail Individual Bidders can revise their Application Forms during the Issue Period and withdraw their Application Forms until Issue Closing Date. |
| SME | Small and medium sized enterprises. |
| Self-Certified Syndicate Bank(s) / SCSBs | The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes , or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Investors (other than a RIIs using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , or at such other websites as may be prescribed by SEBI from time to time In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. |
| Sponsor Bank | Sponsor Bank being [●] being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIIs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars. |
| Specified Locations | Collection centers where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Syndicate Member | Intermediaries registered with the SEBI eligible to act as syndicate member and who is permitted to carry on the activity as an underwriter. |
| TRS / Transaction Registration Slip | The slip or document issued by the Designated Intermediary (only on demand), to the Applicant, as proof of registration of the Application Form. |
| Underwriters | [●] |
| Underwriting Agreement | The Agreement dated [●] entered between the Underwriters and our Company. |
| UPI | Unified payment Interface, which is an instant payment mechanism, developed by NPCI. |
| UPI Bidder | Collectively, individual investors applying as (i) Retail Individual Applicants, in the Retail Portion, and (ii) Non-Institutional Applicants with an application size of up to ₹500,000 in the Non-Institutional Portion, and Bidding under the UPI Mechanism through ASBA Form(s) submitted with Syndicate Members, Registered Brokers, Collecting Depository Participants and Registrar and Share Transfer Agents. Pursuant to Circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022 issued by SEBI, all individual investors applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity) |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI |

| Term | Description |
|---|--|
| | circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/00094 dated June 21, 2023, along with the circulars issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022; and any subsequent circulars or notifications issued by SEBI or National Stock Exchange of India Limited in this regard. |
| UPI ID | ID Created on the UPI for single-window mobile payment system developed by NPCI. |
| UPI PIN | Password to authenticate UPI transaction. |
| UPI Mandate Request | A request (intimating the RIIs by way of a notification on the UPI application and by way of a SMS directing the RIIs to such UPI mobile application) to the RIB initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to application Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. |
| UPI Mechanism | The bidding mechanism that may be used by RIIs in accordance with the UPI Circulars to make an ASBA Bid in the Issue. |
| U.S Securities Act | U.S Securities Act of 1933, as amended. |
| Wilful Defaulter or fraudulent Borrower | An entity or a person categorized as a Wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of the SEBI ICDR Regulations. |
| Working Days | All days on which commercial banks in Mumbai are open for business; provided however, with reference to (a) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

TECHNICAL /GENERAL AND INDUSTRY RELATED TERMS OR ABBREVIATIONS

| Term | Description |
|-------|--------------------------------------|
| ALM | Asset- Liability Management |
| API | Application Performance Interface |
| ATS | Average ticket size |
| BOT | Build-Operate-Transfer |
| BGs | Bank Guarantees |
| CA | Consumer Affairs |
| CAGR | Compounded Annual Growth Rate |
| CAPEX | Capital Expenditure |
| CAD | Current Account Deficit |
| CAZRI | Central Arid Zone Research Institute |
| CIBIL | TransUnion CIBIL Limited |
| CPI | Consumer Price Index |
| EMI | Equal Monthly Installment |
| FY | Financial Year |
| FPD | Food and Public Distribution |
| FDI | Foreign Direct Investment |
| FPI | Foreign Portfolio Investment |
| FTAs | Free Trade Agreements |
| GDP | Gross Domestic Product |
| GNPA | Gross Non-Performing Assets |

| Term | Description |
|-------------|--|
| GST | Goods and Services Tax |
| IBBI | Insolvency Bankruptcy Board In India |
| ICAR | Indian Council of Agricultural Research |
| IIP | Index of Industrial Production |
| IP | Insolvency Professional |
| IPA | Insolvency Professional Agencies |
| IT | Information Technology |
| IISR | Indian Institute of Spices Research |
| IndAus ECTA | India-Australia Economic Cooperation and Trade Agreement |
| IMPS | Immediate Payment Service |
| IDRCL | India Debt Resolution Co. Ltd |
| MCI | Ministry of Commerce and Industry |
| MoSPI | Ministry of Statistics & Programme Implementation |
| MFP | Mega Food Parks |
| MoU | Memorandum of Understanding |
| MSME | Micro Small Medium Enterprises |
| MUDRA | Micro Units Development and Refinance Agency |
| NPA | Non-Performing Assets |
| NPCI | National Payments Corporation of India |
| NIPL | NPCI International Payments |
| NBFC-MFIs | Non-Banking Financial Company - Micro Finance Institutions |
| NABARD | National Bank for Agriculture and Rural Development |
| NARCL | National Asset Reconstruction Company Ltd |
| NaBFID | National Bank for Financing Infrastructure and Development |
| NSE | National Stock Exchange of India Ltd. |
| PE - VC | Private Equity - Venture Capital |
| PLI | Production Linked Incentive |
| \$ | US Dollar |
| PPP | Public-Private Partnership |
| RBI | Reserve Bank of India |
| SEZ | Special Economic Zone |
| SDLs | State Development Loans |
| SIP | Systematic Investment Plan |
| WFE | World Federation of Exchanges |
| UPI | Unified Payments Interface |

CONVENTIONAL TERMS & ABBREVIATIONS

| Term | Description |
|---------------------------|---|
| A/c | Account |
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds as defined in and registered with SEBI under SEBI AIF Regulations |
| AS / Accounting Standards | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| Bn | Billion |
| | |
| CARO | Companies (Auditor's Report) Order, 2016, as amended |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CGST | Central GST |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| COPRA | The Consumer Protection Act, 1986 |
| Companies Act | Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, clarifications and modifications thereunder |

| Term | Description |
|-----------------------------------|--|
| Consolidated FDI Policy | The current consolidated FDI Policy, effective from October 15, 2020 issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| Contract Act | The Indian Contract Act, 1872 |
| CSR | Corporate Social Responsibility |
| CY | Calendar Year |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP | Depository Participant |
| DP ID | Depository Participant's identity number |
| EBITDA | Earnings before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| Electricity Act | The Electricity Act, 2003 |
| EPFO | Employees' Provident Fund Organization |
| EPF Act | The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings per share |
| ESI Act | The Employees' State Insurance Act, 1948 |
| ESIC | Employee State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| ESPS | Employee Stock Purchase Scheme |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign Direct Investment |
| FEE | Foreign Exchange Earnings |
| FEMA Act/ FEMA | Foreign Exchange Management Act, 1999, read with rules and regulations thereunder |
| FEMA Regulations | Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and amendments thereto |
| FII(s) | Foreign Institutional Investors as defined under SEBI FPI Regulations |
| Financial Year / Fiscal Year / FY | Unless stated otherwise, the period of twelve (12) months ending March 31 of that particular year |
| FIPB | Foreign Investment Promotion Board |
| Fixed Asset Turnover | Fixed Asset Turnover is calculated as revenue from operations divided by average fixed assets |
| FMCG | Fast-moving consumer goods |
| 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 |
| GIR Number | General Index Registry Number |
| GoI/Government | Government of India |
| Gratuity Act | The Payment of Gratuity Act, 1972 |
| GST Act | The Central Goods and Services Tax Act, 2017 |
| GST | Goods and Services Tax |
| GSTIN | GST Identification Number |
| HUF | Hindu Undivided Family |
| HNI | High Net Worth Individual |
| IBEF | India Brand Equity Foundation |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| IEC | Import Export Code |
| IEM | Industrial Entrepreneurs Memorandum |
| IFRS | International Financial Reporting Standards |
| Rs. / Rupees / INR / ₹ | Indian Rupees |
| IGST | Integrated GST |

| Term | Description |
|-----------------------------|--|
| IT Act | Income-tax Act, 1961 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Ind AS | The Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Companies Act, 2013 |
| Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended. |
| IPO | Initial Public Offering |
| KMP | Key Managerial Personnel |
| Ltd. | Limited |
| LM | Lead Manager |
| IT Rules | Income Tax Rules, 1962 |
| Kms | Kilometres |
| LC | Letter of Credit |
| LIBOR | London Interbank Offered Rate |
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of funds-based lending rate |
| Mn | Million |
| Mutual Fund(s) | Mutual Fund(s) means mutual funds registered under SEBI (Mutual Funds) Regulations, 1996 |
| MoU | Memorandum of Understanding |
| N.A. / NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NEFT | National Electronic Fund Transfer |
| NR | Non-resident |
| NRE Account | Non-Resident External Account |
| NRI | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955 |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| NSE EMERGE | EMERGE Platform of National Stock Exchange of India Limited |
| p.a. | Per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| RBI | Reserve Bank of India |
| RONW | Return on Net Worth |
| RoCE | Return on Capital Employed |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended |
| SEZ | Special Economic Zones |
| SCORES | Securities and Exchange Board of India Complaints Redress System, a centralized web based complaints redressal system launched by SEBI |
| SEBI | The Securities and Exchange Board of India constituted under SEBI Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |

| Term | Description |
|---|---|
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| SEBI Takeover Regulations/ SEBI SAST Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Sq. metres | Square Metres |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| TPA | Tonnes Per Annum |
| VAT | Value Added Tax |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| U.S. or USA or United States | United States of America including its territories and possessions, any State of the United States, and the District of Columbia |
| U.S. or USA or United States | United States of America |
| USD or US\$ | United States Dollars |
| VCFs | Venture capital funds as defined in and registered with SEBI under SEBI VCF Regulations or SEBI AIF Regulations, as the case may be |
| WCTL | Working Capital Term Loan |
| w.e.f. | With effect from |
| WEO | World Economic Outlook |
| WHO | World Health Organization |
| YoY | Year on Year |

FORWARD-LOOKING STATEMENTS

This Draft Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “project”, “seek”, “will”, “will achieve”, “will continue”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements.

All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

All statements contained in the Draft Prospectus that are not statements of historical facts constitute “forward-looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Prospectus regarding matters that are not historical facts. These forward-looking statements and any other projections contained in the Draft Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- The risk of non-payment or default by our borrowers may adversely affect our business, results of operations and financial condition.
- We depend on the accuracy and completeness of information provided by our customers and certain third party service providers and our reliance on any erroneous or misleading information may affect our judgement of their creditworthiness, as well as the value of and title to the collateral.
- The quality of our portfolio may be impacted due to higher levels of NPAs and our business may be adversely affected if we are unable to provide for such higher levels of NPAs.
- Dependence of our business on the trust in us and our brand.
- Possibility of our technology-driven underwriting, technology-based risk management and collection processes not being able to effectively identify, monitor or mitigate the risks in our lending operations.
- Possibility of our hosts for our primary and backup data storage experiencing system downtime, prolonged power outages or shortages.
- Possibility of improper collection, hosting, use or disclosure of data by us.
- Volatility in interest rates.
- Not being able to sustain our growth or manage it effectively.
- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Failure to obtain, maintain or renew statutory and regulatory licenses, permits and approvals required to operate our business both in India and abroad;
- Our failure to keep pace with rapid changes in technology; and
- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by the RBI during these inspections could expose us to penalties and restrictions.

For further discussion of factors that could cause the actual results to differ from the expectations, see the chapter titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 20, 98 and 182 of this Draft Prospectus, respectively. By their nature, certain market risk disclosures are only estimating and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views as of the date of this Draft Prospectus 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 our Company believes 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. None

of our Company, the Directors, the Lead Manager, or any of their respective affiliates 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. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Prospectus to 'India' 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 GoI, central or state, as applicable.

Unless otherwise specified, any time mentioned in this Draft Prospectus is in Indian Standard Time ("IST").

Unless indicated otherwise, all references to a year in this Draft Prospectus are to a calendar year.

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

Financial Data

Unless stated otherwise, the financial data in the Draft Prospectus is derived from the Restated financial statements of our Company for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP and Guidance Note on "Reports in Company Prospectus", as amended issued by ICAI, as stated in the report of our Statutory and Peer Reviewed Auditor, as set out in the section titled "**Restated Financial Statements**" beginning on page 143 of this Draft Prospectus.

Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year.

In the Draft Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the chapter / chapters titled "**Risk Factors**", "**Business Overview**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" beginning on page numbers 20, 98 and 182, respectively, of this Draft Prospectus and elsewhere in the Draft Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

Industry and Market Data

Unless otherwise stated, Industry and Market data used throughout this Draft Prospectus has been obtained from publicly available industry publications and Government data.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Prospectus is reliable, it has not been independently verified by the Lead Manager or any of their affiliates or advisors. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "**Risk Factors**" beginning on 20. Accordingly, investment decisions should not be based solely on such information.

Further, the extent to which the industry and market data presented in the Draft Prospectus 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Currency and units of presentation

In the Draft Prospectus, unless the context otherwise requires, all references to;

- 'Rupees' or '₹' or 'Rs.' or 'INR' or "₹" are to Indian rupees, the official currency of the Republic of India.
- 'US Dollars' or 'US\$' or 'USD' or '\$' are to United States Dollars, the official currency of the United States of America, EURO

or "€" are Euro currency,

All references to the word 'Lakh' or 'Lac', means 'One hundred thousand' and the word 'Million' means 'Ten lakhs and the word 'Crore' means 'Ten Million' and the word 'Billion' means 'One thousand Million'.

In this Draft Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures derived from our Financial Statements in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places.

Exchange Rates

This Draft Prospectus 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[#] | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| 1 USD | 82.23 | 75.81 | 73.50 |

Source: www.fbil.org.in

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Equity Shares have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on Regulation S.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made, by persons in any such jurisdiction except in compliance with the applicable laws of such jurisdiction.

SUMMARY OF OFFER DOCUMENT

SUMMARY OF BUSINESS

Our Company commenced our lending business to self-employed professional and small business entrepreneurs during the financial year March 31, 2019. Subsequently, from the Fiscal 2020 we migrated to fintech based financial services platform. As a technology-driven fintech company we leverage technology and data-science to make lending quick and easy. Our Company through its a mobile App provides instant personal loans up to ₹50,000 with tenors of up to 12 months through an entirely digital mobile App-only process

We launched our mobile App based personal loans business under the “IBL: Instant Personal Loan” brand.

For more details, please refer chapter titled “*Business Overview*” on page 98 of this Draft Prospectus.

SUMMARY OF INDUSTRY

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds and other smaller financial entities. The banking regulator has allowed new entities such as payment banks to be created recently, thereby adding to the type of entities operating in the sector.

For more details, please refer chapter titled “*Industry Overview*” on page 92 of this Draft Prospectus.

PROMOTER

The Promoters of our Company are Manish Patel, Piyush Patel and Mansukhbhai Patel.

ISSUE SIZE

The Issue size comprises of issuance of upto 67,25,000 Equity Shares of face value of ₹10.00/- each fully paid-up for cash at price of ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per share) aggregating to ₹ [●] Lakhs. The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 10, 2023 and approved by the shareholders of our Company vide a special resolution at the Extra Ordinary General Meeting held on July 07, 2023 pursuant to section 62(1)(c) of the Companies Act.

OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“*Objects of the Issue*”):

(₹ in lakhs)

| Particulars | Amount |
|---|------------|
| Augmenting our Company’s Tier – I capital base to meet our Company’s future capital requirements, arising out of the growth of our business and asset | [●] |
| General corporate purposes* | [●] |
| Total | [●] |

*The amount utilized for general corporate purpose shall not exceed 25% of the gross proceeds of the issue

PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

| Particulars | Pre-Issue | |
|--------------------------------------|--------------------|------------------------|
| | Number of Shares | Percentage (%) holding |
| Promoter (A) | | |
| Manish Patel | 19,11,924 | 10.52 |
| Piyush Patel | 28,99,386 | 15.95 |
| Mansukhbhai Patel | 19,38,034 | 10.66 |
| Total (A) | 67,49,344 | 37.13 |
| Promoter Group (B) | | |
| Mansukhbhai Kunvarjibhai Patel - HUF | 9,52,848 | 5.24 |
| Jayaben Patel | 14,16,924 | 7.79 |
| Manishbhai Mansukhbhai Patel - HUF | 27,78,994 | 15.29 |
| Hinaben Patel | 18,25,268 | 10.04 |
| Rupalben Patel | 7,94,016 | 4.37 |
| Piyush Mansukhbhai Patel - HUF | 8,10,968 | 4.46 |
| Chandubhai Miyani | 2,00,046 | 1.10 |
| Kakdiya Shilpaben | 23,576 | 0.13 |
| Total (B) | 88,02,640 | 48.42 |
| Total (A+B) | 1,55,51,984 | 85.55 |

SUMMARY OF RESTATED FINANCIAL INFORMATION

| Particulars | For the year ended | | |
|--|--------------------|----------------|----------------|
| | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| Share Capital (₹ in lakhs) | 909.03 | 326.00 | 326.00 |
| Networth (₹ in lakhs) | 2048.74 | 355.47 | 312.73 |
| Total Revenue (₹ in lakhs) ⁽¹⁾ | 1333.13 | 327.08 | 112.59 |
| Profit after Tax (₹ in lakhs) | 192.83 | 42.73 | (9.88) |
| Earnings per share (Basic & Diluted) (after bonus) (₹) | 1.15 | 0.29 | (0.07) |
| Net Asset Value per Equity Share (₹) | 12.20 | 2.42 | 2.13 |
| Total borrowings (₹ in lakhs) | 9.12 | 640.58 | - |

⁽¹⁾ Total revenue includes other income

QUALIFICATIONS OF AUDITORS

There are no Auditor qualifications which require adjustments and have not been given effect to in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPEMENTS

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

| Name of the Cases | Number of cases | Total amount involved (₹ in lakhs) |
|------------------------------|-----------------|------------------------------------|
| Against our Company | | |
| Tax | 1 | Negligible |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Other | 2 | 0.10 |
| Notice | 1 | N.A. |
| By our Company | | |
| Tax | NIL | NIL |
| Civil | 1 | 3.28 |
| Criminal | 10 | 8.09 |
| Against our Promoter | | |
| Tax | 1 | 0.02 |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| By our Promoter | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Against our Directors | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| By our Directors | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| By our Group Company | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Against Group Company | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |

For further details, please refer chapter titled “*Outstanding Litigations & Material Developments*” beginning on page 192 of this Draft Prospectus.

RISK FACTORS

For details relating to risk factors, please refer chapter titled “*Risk Factors*” on page 20 of this Draft Prospectus.

SUMMARY OF CONTINGENT LIABILITIES OF OUR COMPANY

As on the date of this Draft Prospectus, our Company does not have any contingent liabilities.

SUMMARY OF RELATED PARTY TRANSACTIONS

For details, please refer to Annexure 24 “*Related Party Transactions - Restated Financial Statements*” beginning on page 143 this Draft Prospectus.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during a period of six (6) months immediately preceding the date of this Draft Prospectus.

WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoter in the one year preceding the date of this Draft Prospectus.

| Name | Number of Shares | Average Cost of Acquisition per Equity Share (in ₹)* |
|-------------------|------------------|--|
| Manish Patel | 15,21,924 | 4.47 |
| Piyush Patel | 22,79,386 | 2.08 |
| Mansukhbhai Patel | 15,31,334 | 3.05 |

*As certified by the Statutory Auditor M/s. VCAS & Co., Chartered Accountants dated August 14, 2023.

AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoter as at the date of this Draft Prospectus is:

| Name | Number of Shares | Average Cost of Acquisition per Equity Share (in ₹)* |
|-------------------|------------------|--|
| Manish Patel | 19,11,924 | 5.60 |
| Piyush Patel | 28,99,386 | 3.77 |
| Mansukhbhai Patel | 19,38,034 | 4.51 |

*As certified by the Statutory Auditor M/s. VCAS & Co., Chartered Accountants dated August 14, 2023

DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE (1) YEAR

Except as disclosed in the chapter titled “*Capital Structure*” beginning on page 55 of this Draft Prospectus, our Company has not issued Equity Shares for consideration other than cash during the last one year immediately preceding the date of filing the Draft Prospectus.

SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

EXEMPTION FROM PROVISIONS OF SECURITIES LAW

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

SECTION - II - RISK FACTORS

An investment in our Equity Shares involves a certain degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks or other risks that are not currently known or are currently deemed immaterial actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. Prospective investors should read this section in conjunction with “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 98, 92 and 182, respectively of, as well as the financial and other information contained in, this Draft Prospectus.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries. This Draft Prospectus 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 elsewhere in this Draft Prospectus. For further details, please see the chapter titled “*Forward-Looking Statements*” beginning on page 13 of this Draft Prospectus.

Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Statement for financial year ended 2023, financial year ended 2022 & financial year ended 2021 included in this Draft Prospectus.

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. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue including the merits and risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

Materiality

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

1. Some events may not be material individually but may be found material collectively.
2. Some events may have material impact qualitatively instead of quantitatively.
3. Some events may not be material at present but may be having material impact in future.

INTERNAL RISK FACTORS

1. *Our Company, Directors, Promoters and group companies are subject to certain legal proceedings and any adverse decision in such proceedings may affect our business, financial condition and results of operations.*

We, our Directors, Promoters and group companies are subject to certain legal proceedings including civil suits, consumer litigations, tax litigations etc. We incur substantial cost in defending these proceedings before a court of law. Moreover, we are unable to assure you that we or our Promoters and Directors shall be successful in any or all of these actions. In the event, we or our Promoters, Directors and group companies suffer any adverse order, our reputation may suffer and may impact our business and results of operations. We cannot assure that an adverse order by any statutory or governmental authority would not have a negative impact on our profit and financial condition.

| Name of the Cases | Number of cases | Total amount involved (₹ in lakhs) |
|-----------------------------|-----------------|------------------------------------|
| Against our Company | | |
| Tax | 1 | Negligible |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Other | 2 | 0.10 |
| Notice | 1 | N.A. |
| By our Company | | |
| Tax | NIL | NIL |
| Civil | 1 | 3.28 |
| Criminal | 10 | 8.09 |
| Against our Promoter | | |
| Tax | 1 | 0.02 |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |

| Name of the Cases | Number of cases | Total amount involved (₹ in lakhs) |
|------------------------------|-----------------|------------------------------------|
| By our Promoter | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Against our Directors | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| By our Directors | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| By our Group Company | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |
| Against Group Company | | |
| Tax | NIL | NIL |
| Civil | NIL | NIL |
| Criminal | NIL | NIL |

For further details of the legal proceedings that we are subject to, please refer to “*Outstanding Litigation and Material Developments*” on page 192.

2. ***Our financial performance is particularly vulnerable to interest rate volatility. If we are unable to manage interest rate risk in the future it could have an adverse effect on our net interest margin, thereby adversely affecting business and financial condition of our Company.***

We are engaged in the lending business. Our results of operations are substantially dependent upon the level of our net interest margins. Interest income from our financing activities is the largest component of our total revenue, and constituted 88.75%, 96.69% and 96.77%, of our total revenue for the Financial Year 2023, Financial Year 2022 and Financial Year 2021, respectively. As of March 31, 2023, March 31, 2022 and March 31, 2021, our loan book was ₹ 1461.18 Lakhs, ₹ 842.19 Lakhs and ₹ 262.78 Lakhs, respectively. We lend funds on fixed rates and borrow on variable rate basis. Volatility in interest rates can materially and adversely affect our financial performance. In a rising interest rate environment, if the yield on our interest-earning assets does not increase simultaneously with or to the same extent as our cost of funds, or, 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, our net interest income and net interest margin would be adversely impacted.

Accordingly, our operations are susceptible to fluctuations in interest rates. Interest rates are highly sensitive and fluctuations thereof are dependent upon many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial services sector in India, domestic and international economic and political conditions, inflation and other factors. Rise in inflation, and consequent changes in bank rates, repo rates and reverse repo rates by the RBI have led to an increase in interest rates on loans provided by banks and financial institutions, and market interest rates in India have been volatile in recent periods.

We do not hedge our exposure to interest rate changes except for external commercial borrowings. We cannot assure you that we can adequately manage our interest rate risk in the future. Further, changes in interest rates could affect the interest rates charged on interest earning assets and the interest rates paid on interest bearing liabilities in different ways except for external commercial borrowings wherein the Company has fully hedged its interest rate exposure through Cross-currency interest rate swaps. Thus, our results of operations could be affected by changes in interest rates and the timing of any re-pricing of our liabilities compared with the repricing of our assets.

3. ***Our technology-driven underwriting, risk management and collection processes may not be able to effectively identify, monitor or mitigate the risks in our lending operations.***

We fine-tune our underwriting, risk management and collection processes through continuous training of our risk-detection models. If any of these decision-making systems contain programming or other errors, the criteria or parameters we use for the analysis of customers credit profiles are inaccurate, the risk management models are flawed or ineffective or the customer insights we develop or receive for credit assessment are incorrect or stale, our credit assessment process related to the loans could be negatively affected, resulting in incorrect approvals, incorrect denials of loans, mispriced loans or biased rejection rates for potential customers we assess. Further, our underwriting models are dependent on data from various sources and our inability to access such data (on account of regulatory or other changes in the ecosystem) could negatively impact the efficacy

of such models. In addition, as the customer journeys for our personal loan businesses are largely digital, we face risks associated with not meeting our customers in person, including contact ability and traceability issues in the collections process. If any of the foregoing were to occur, the performance of our credit assessment will be compromised. As a result, our business, brand, reputation, results of operations and financial condition may be adversely affected.

4. *Our software and data centres for our primary and backup data storage may experience system downtime, prolonged power outages or shortages.*

We rely on a cloud strategy pursuant to which our applications and systems, including the IBL: Instant Personal Loan App, loan management system, underwriting engine, collections portal, CRM portal, are deployed with one service provider and internal IT assets are hosted with a different third-party service provider. In this regard, we are unable to guarantee that we will not experience system downtime. In addition, the third-party data centres for our primary and backup data storage are regulatorily required to be based in India. The data centre may be susceptible to, *inter alia*, regional costs of power, power shortages, planned or unplanned power outages and limitations on the availability of adequate power resources. Power outages, including, but not limited to those relating to large storms, earthquakes, fires and floods, could harm our customers and our businesses. Although we leverage our technology initiatives for periodic, often fortnightly, upgrades of the IBL: Instant Personal Loan App with the goal of ensuring a 24-hour uptime, any disruption in the operation of our cloud computing software and data centres could negatively impact our business results of operations and financial condition.

5. *Our business processes a large amount of data, including personal data, and the improper collection, hosting, use or disclosure of data could harm our reputation and have an adverse effect on our business, financial condition, results of operations and cash flows.*

Our business processes a large quantity of personal data (with our users' consent) and analyses this data to generate user and user group profiles. Our privacy policies concerning the collection, use and disclosure of personal data (and users' rights thereto) are consented to by our customers and made accessible for their reference at any point in time. We face risks inherent in handling and protecting a large volume of data, especially user data. In particular, we face several challenges relating to data security and privacy, including but not limited to:

- protecting the data in and hosted on our system, including against attacks on our system by outside parties, data leakage, fraudulent behaviour or improper use by our employees;
- addressing concerns, challenges, negative publicity and litigation related to data security and privacy, collection, use and actual or perceived data sharing (including sharing among our own businesses, with business partners, vendors or regulators), and other factors that may arise from our existing businesses or new businesses and new technology; and
- complying with applicable laws and regulations relating to the collection, use, storage, transfer, disclosure and security of personal data, including requests from data subjects.

The improper collection, use or disclosure of our user data could result in a loss of customers, business, partner financial institutions and other potential participants on the IBL – Instant Personal Loan App, loss of confidence or trust in the IBL – Instant Personal Loan App, litigation, regulatory investigations, penalties or actions against us, significant damage to our reputation, and have an adverse effect on our business, financial condition, results of operations and cash flows.

Moreover, we share a limited amount of user data with third-party service providers in accordance with applicable laws and regulations and subject to stringent data security and privacy requirements. We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We have certain vendors who provide or enable, *inter alia* PAN verification with the National Securities Depository Limited (“NSDL”), and Aadhaar download from the Unique Identification Authority of India (“UIDAI”). During the course of providing such services, customer data may be accessed. If such third-party service providers engage in activities that are negligent, fraudulent, illegal or otherwise harm the trustworthiness and security of the IBL – Instant Personal Loan App, including by improper disclosure or use of user data, or if our business partners otherwise fail to meet their data security and privacy obligations, we may be subject to user complaints and suffer reputational harm, even if the actions or activities are not related to, attributable to or caused by us, or within our control.

While we have taken steps, including reprimanding the third-party vendors, augmenting control measures to ensure communications sent on behalf of our Company are pre-approved, filing police complaints for unauthorised use of the “IBL Finance” name and sharing messages to customers informing them about our official contact details, to address such issues in the past, we cannot assure you that we will be able to completely stop such instances from occurring in the future, or whether the mitigating steps taken by us will be prompt or sufficient. Further, while no regulatory or legal action has been taken against us in relation to such instances in the past, we cannot assure you that we will not be subject to any regulatory or legal action for such instances in the future

6. *Our business requires substantial capital, and any disruption in funding sources would have a material adverse effect on our liquidity and financial condition.*

As an NBFC, our liquidity and on-going profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met from borrowing from inter-corporate deposits, unsecured loans, issue of equity shares. As a part of business strategy, the Company will down sell its loan portfolio in future for raising of additional funds for meeting its business requirements. Thus, our business depends and will continue to depend on our ability to access diversified funding sources. Our ability to raise funds on acceptable terms and at competitive rates continues to depend on various factors including our credit ratings, the regulatory environment and policy initiatives in India, 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. While our borrowing costs have been competitive in the past, 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. This may adversely impact our business, prospects, cash flow, results of operations and financial condition.

Changes in economic and financial conditions or continuing lack of liquidity in the market could make it difficult for us to access funds at competitive rates. Such conditions may lead to a disruption in our primary funding sources at competitive costs and would have a material adverse effect on our liquidity and financial condition.

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, termination from their job, 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.

In addition, our customer portfolio consists of individuals and other group of the under banked community, who may or may not have easy access to financing from commercial banks or other organized lenders and often have limited credit history. Such borrowers generally are less financially resilient than larger corporate borrowers, and, as a result, they can be more adversely affected by declining economic conditions. In addition, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation on the part of our customers. Furthermore, unlike several developed economies, a nationwide credit bureau has only recently become operational in India, so there is less financial information available about the creditworthiness of our customers. It is therefore difficult to carry out precise credit risk analyses on our clients.

Customer defaults could also adversely affect our levels of NPAs and provisioning of the same, which could in turn adversely affect our operations, cash flows and profitability. Our Gross NPAs have increased from ₹ 20.92 lakhs as at March 31, 2022 representing 2.48% of the loan book to ₹ 75.77 lakhs as at March 31, 2023 representing 5.19% of the total loans and advances and our Net NPAs have increased from 15.69 lakhs as at March 31, 2022 representing 1.87% of the loan book to ₹ 56.83 lakhs as at March 31, 2023 representing 3.94% of the total loans and advances. Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient. 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. *Our Company and our Promoter may not have significant experience in the business of our Company*

Our Company was incorporated on August 03, 2017 and registered as an NBFC and since then our Promoters has been engaged in the lending business and in particularly fintech space since Fiscal 2020. While we have been able to expand our business over the last 3 years, we may lack sufficient expertise and experience in these field and this may impose additional strain on our resources. Further, our services are used in critical aspect of lending can expose us to litigation and consequent penalties. This may adversely affect our business, results of operation and revenues

9. *We had incurred loss, and we may not achieve profitability in the future.*

We incurred a loss after tax of (₹ 9.88 Lakhs) in Fiscal 2021. We will continue to make significant effort to further develop and expand our business. In particular, we intend to continue to expand our personal loan portfolio by diversifying our online and offline distribution network to expand customer reach in order to generate new business. We will continue to optimize customer experience and boost operating leverage through continued investments in technology. Despite these investments, we may not succeed in increasing our revenue on the timeline that we expect or in an amount sufficient to achieve profitability. Additionally, as a listed company in India, we expect to incur significant legal, accounting and other expenses that we did not incur as an unlisted company. Moreover, if our revenue declines, we may not be able to reduce costs in a timely manner because many of our costs are fixed at least in the short term. In addition, if we reduce variable costs to respond to losses, this may limit our ability to sign up new customers and grow our revenues. Accordingly, we may not be able to maintain profitability and we may incur significant losses in the future. For further details, see “*Restated Financial Statements*” on

10. *We are subjected to supervision and regulation by the RBI as a non-systemically important NBFC, and changes in RBI's regulations governing us could adversely affect our business.*

We are subject to the RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure and other prudential norms. The RBI also regulates the credit flow by banks to NBFCs and provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. The RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional cost or could otherwise adversely affect our business and our financial performance. Through the Master Directions, RBI has amended the regulatory framework governing NBFCs to address concerns pertaining to risks, regulatory gaps and arbitrage arising from differential regulations and aims to harmonise and simplify regulations to facilitate a smoother compliance culture among NBFCs.

Even though the RBI, has not provided for any restriction on interest rates that can be charged by non -deposit taking NBFCs, there can be no assurance that the RBI and/or the Government will not implement regulations or policies, including policies or regulations or legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that could have an adverse effect on non -deposit taking NBFCs. In addition, there can be no assurance that any changes in the laws and regulations relative to the Indian financial services industry will not adversely impact our business.

11. *Non-compliance with the RBI's observations made pursuant to its periodic inspections and violations of regulations prescribed by the RBI, could expose us to certain penalties and restrictions.*

As an NBFC, we are subject to periodic inspections by the RBI under Section 45N of the RBI Act, wherein the RBI inspects our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the RBI or for obtaining any information, which we may have failed to furnish when called upon to do so. In its past inspection reports, the RBI has (a) identified certain deficiencies in our operations, (b) made certain observations in relation to our operations during its periodic inspections and (c) sought certain clarifications on our operations. These observations inter-alia pertained to (a) concentration of credit/investment; (b) scope of audit; (c) adherence to KYC; (d) compliances pertaining to fraud monitoring, asset liability management and risk management; and (e) requirement for obtaining prior approval of the RBI in cases of acquisition/transfer of control. For further information, see "**Other regulatory and statutory disclosure**" on page 209 of this Draft Prospectus. The Company had considered these observations and had submitted their responses and explanations. certain areas, which required some changes to the policies and processes were either duly complied with or undertaken to be complied with in due course, which the Company has fulfilled. Such due compliance was notified by the Company to the Reserve Bank of India. Thereafter there has been no communication or remarks by the Reserve Bank of India and further there was no qualification in our Audit Reports.

We submit that there was no financial impact on the Company arising from the observations raised by the RBI during the last inspection and no penalties were imposed and no warning letters were issued by the RBI pursuant to any such inspection. In case of any penalty or adverse finding by RBI or in case of any material developments in the above matters, then the same shall be intimated to Stock Exchanges and all the above information will be updated in the offer documents.

While we attempt to comply with all regulatory provisions, directions or observations applicable to us, including in connection with the RBI inspection reports (all of which have been responded to by us), if we are unable to comply with the RBI's observations or directions, we could be subject to penalties and restrictions which may be imposed by the RBI. Imposition of any penalty or adverse finding by the RBI during any future inspection may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

12. *We may be subject to regulations in respect of provisioning for non-performing assets. If such provisions are not sufficient to provide adequate cover for loan losses that may occur, this could have an adverse effect on our financial condition, liquidity and results of operations.*

RBI guidelines prescribe the provisioning required in respect of our outstanding loan portfolio. These provisioning requirements may require us to reserve lower amounts than the provisioning requirements applicable to financial institutions and banks in other countries. The provisioning requirements may also require the exercise of subjective judgments of management. The Company classifies its receivables as standard, sub-standard and doubtful assets and provided for as per the Company's policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Master Direction - Non-Banking Financial Company - Non-Systematically important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The RBI has now harmonised the NPA norms for all NBFCs to 90 days. A glide path has been provided to NBFCs in the base layer to adhere to the 90 days NPA norm till 2026. we have been following the practice of 90 days NPA norms.

There are multiple factors that affect the level of NPAs in our Company. Various factors that are beyond our control, such as macro-economic factors (including a rise in unemployment, a sharp and sustained rise in interest rates, developments in the Indian economy, movements in global commodity markets and exchange rates), regulatory hurdles and global competition as well as customer specific factors such as wilful default and mismanagement of a customer's operations, may result in

increasing NPA levels and may have an adverse impact on the quality of our loan portfolio. If we are unable to effectively control our NPA levels in the future, we will be required to increase our provisions, which may adversely affect our profitability and financial condition. The RBI regulates certain aspects of the recovery of non-performing loans, such as the use of recovery agents. Any limitation on our ability to recover, control and reduce non-performing loans under the applicable regulatory regime or otherwise could affect our collections and ability to foreclose on existing NPAs. The level of our provisions may not be adequate to cover further increases in the amount of our nonperforming assets or a decrease in the value of the underlying collateral. If we are unable to control the level of our NPAs in the future, quality of our loan portfolio could deteriorate, our credit ratings could be downgraded and our cost of funds could increase, any of which could have a material adverse effect on our financial condition and results of operations.

13. *Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have a material adverse effect on our business, financial condition and results of operations.*

NBFCs in India are subject to strict regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as a NBFC with the RBI, we are required to maintain certain statutory and regulatory permits and approvals for our business. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any proposed operations. There can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure on our part to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations.

Pursuant to change of status of our Company from a private limited company to a public limited company pursuant to receipt of revised certificate of incorporation dated May 22, 2023, we have applied to various registration agency(ies)/authority(ies) to revise the name of our Company on the certificate of registration issued by respective agency(ies)/authority(ies). Few of the applications are still pending as of the date of this Draft Prospectus and we cannot guarantee that our application will be approved by respective agency(ies)/authority(ies) prior to the closure of the Issue.

Moreover, the shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. 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. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled, and we shall not be able to carry on such activities.

14. *We depend on customer supplied information when evaluating customer credit worthiness.*

In deciding whether to extend credit or enter into other transactions with customers and counter parties, we may rely on information furnished to us by or on behalf of our customers, including the financial information from which we create our credit assessments. We may also rely on customer representations as to the accuracy and completeness of customer supplied information. Any relevant changes in this information may not be made available to us. The information that we have gathered may not be sufficient to create a complete customer risk profile. Because we rely on such customer supplied information, some or all of certain customers' risk profiles may be wilfully or inadvertently wrong or misleading, which may lead us to enter into transactions that may adversely affect our financial condition and results of operations.

15. *Our loan book comprises of unsecured loans. Our inability to recover the amounts due from customers in connection with such loans in a timely manner could adversely affect our operations and profitability.*

Our loan book comprises of unsecured loans. Since such loans are unsecured, in case of customer defaults in connection with such loans, our ability to realise the amounts due to us for such loans would be restricted to initiating legal proceedings for recovery, as we will not have the benefit of enforcing any security interest related to such loans. There can be no guarantee as to the time that would be taken for the final disposal of such legal proceedings and/or our ability to obtain favourable decisions in connection therewith.

Because of the unsecured nature, it is essential that such loans are appropriately priced, taking into account a possible high rate of interest and all other relevant factors. In making a decision whether to extend credit to prospective customers, and the terms on which we are willing to provide credit, including the price, we rely heavily on our credit scoring models, and our credit experience gained through monitoring the performance of customers over time. Our credit scoring models are based on previous historical experience. If our credit scoring models are not redeveloped as required or if they do not perform up to target standards, we may experience increasing defaults or higher customer acquisition costs. As on March 31, 2023, March 31, 2022 and March 31, 2021 we have written-off loss assets of ₹ 306.40 lakhs, ₹ 62.51 lakhs and ₹ 6.14 lakhs, respectively.

Further, our lending products generally do not have any definite end-use restrictions and our customers may utilise such loans for various purposes, which are often incapable of being monitored on a regular basis or at all. Our inability to recover the amounts due from customers in connection with such loans in a timely manner or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.

16. A substantial portion of our customers are first time borrowers which increases risks of non-payment or default for us.

We have customers who are first-time borrowers from the formal secured lending ecosystem. Our customers were new to the lending ecosystem. Such customers generally may have higher risk of non-payment or default due to a number of reasons such as not having the experience of payment of interest and repayment of principal, as well as other reasons applicable to our other customers such as business failure, insolvency, lack of liquidity, loss of employment or personal emergencies such as the death of an income-generating family member, including on account of events such as the COVID-19 pandemic. To the extent we are unable to successfully manage the risks associated with lending to customers new to credit, it may become difficult for us to recover outstanding loan amounts (including interest) provided to such customers. We cannot assure you that our risk management controls will be sufficient to prevent future losses on account of customer defaults and hence adversely affecting our business, results of operations and financial condition.

17. Our business operations involve transactions with relatively high-risk borrowers. Any default from our customers could adversely affect our business, results of operations and financial condition.

A certain portion of our target customers typically have limited access to credit with limited to or no prior credit history. As a result, we are more vulnerable to customer default risks including delay in repayment of principal or interest on our loans. Although we have our own customised due diligence and credit analysis procedures, there can be no assurance that we will be able to ensure a lower delinquency rate. Our profitability depends on our ability to evaluate the right income levels of our customers, assess the credit risks and to price our loans accordingly. Our customers may default on their obligations as a result of various factors including bankruptcy, insolvency, lack of liquidity and/or failure of the business or commercial venture in relation to which such borrowings were sanctioned. Failure to maintain sufficient credit assessment policies, particularly for small and medium enterprise borrowers, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

18. We face increasing competition in our business which may result in declining margins if we are unable to compete effectively.

We face competition in all our lines of business. Our primary competitors are other NBFCs, fintech companies, public sector banks, private sector banks, co-operative banks and foreign banks and the unorganized financiers who principally operate in the markets where we operate. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive. In addition, interest rate deregulation and other liberalization measures affecting the retail and small and medium enterprises finance sector, together with increased demand for capital by individuals as well as small and medium enterprises, have resulted in an increase in competition.

In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest. All of these factors have resulted in us facing increased competition from other lenders in each of our lines of businesses, including commercial banks and other NBFCs. Our ability to compete effectively will depend, to some extent, on our ability to raise low-cost funding in the future. Furthermore, as a result of increased competition in the finance sector, finance products are becoming increasingly standardized and variable interest rate and payment terms and lower processing fees are becoming increasingly common in the finance sector in India. There can be no assurance that we will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive finance industry. Increasing competition may have an adverse effect on our net interest margin, and, if we are unable to compete successfully, our market share may decline. If we are unable to compete effectively with other participants in the finance sector, our business, future financial performance and the trading price of our Equity Shares may be adversely affected.

19. If we are not able to control the level of non-performing assets in our portfolio, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected.

We may not be successful in our efforts to improve collections on existing as well as future non-performing assets. Moreover, as our loan portfolio increases, we may experience greater defaults in principal and/or interest repayments. Thus, if we are not able to control our level of non-performing assets, the overall quality of our loan portfolio may deteriorate, and our results of operations may be adversely affected. Our gross NPAs for the Fiscals ended March 31, 2023, March 31, 2022 and March 31, 2021, was ₹ 75.77 lakhs, ₹20.92 lakhs and ₹52.95 lakhs, respectively.

The Master Directions prescribe the provisioning required in respect of our outstanding loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our non-performing assets. Furthermore, although we believe that our total provision will be adequate to cover all known losses in our asset portfolio, our current provisions may not be adequate when compared to the loan portfolios of other financial institutions. Moreover, there also can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross non-performing assets or otherwise, or that the percentage of non-performing assets that we will be able to recover will be similar to our past experience of recoveries of non-performing assets. In the event of any further increase in our non-performing asset portfolio, there could be an even greater, adverse

impact on our results of operations.

20. *We are exposed to operational risks, including employee negligence, petty theft, burglary and embezzlement and fraud by employees, customers or third parties, which could harm our results of operations and financial position.*

We may infrequently engage in cash collections to recover our dues. Such cash transactions may expose us to the risk of theft, burglary and misappropriation or unauthorized transactions by our employees and fraud by employees, customers or third parties. Our insurance policies, security systems and measures undertaken to detect and prevent these risks may not be sufficient to prevent or deter such activities in all cases, which may adversely affect our operations and profitability. Further, we may be subject to regulatory or other proceedings in connection with any unauthorized transaction, fraud or misappropriation by our representatives and employees, which could adversely affect our goodwill. While we have not experienced any such incidents in the past, we cannot assure you that we would not be subject to such risk in the future, which can have a material impact on our business, profit and cash flow.

21. *If we are unable to manage our growth effectively, our business and reputation could be adversely affected.*

We commenced our lending business to MSMEs in the financial year 2019. Subsequently, we migrated to fintech based financial services platform that leverages technology and data-science to provides instant personal loans. As on March 31, 2023, we have 3,81,156 login customers and have disbursed an amount of ₹ 5234.70 lakhs. Further, we believe that a mix of on-line and off-line presence will help us to expand our business, customer reach and also reduce the level of NPA's. As on March 31, 2023 we were operating from 1 branch with a total loan portfolio of ₹ 1461.18 lakhs with loan disbursed to 1,22,078 customers. Our loan book (Asset Under Management) has grown from ₹ 262.78 lakhs as at March 31, 2021 to ₹ 1461.18 lakhs as at March 31, 2023. As our growth strategy we would expand our branch presence across 2 states namely Maharashtra and Gujarat.



There can be no assurance that we will be able to sustain our growth strategy successfully or that we will be able to expand further or diversify our product portfolio. If we grow our loan book too rapidly or fail to make proper assessments of credit risks associated with new borrowers, a higher percentage of our loans may become non-performing, which would have a negative impact on the quality of our assets and our financial condition.



Expanding our products or entering into new jurisdictions 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.

22. *We may experience difficulties in expanding our business into new regions and markets in India and introducing our complete range of products in each of our branches.*

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets in India. Factors such as competition, culture, regulatory regimes, business practices & customs and customer requirements in these new markets may differ from those in our current markets and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete with other banks and financial institutions that already have a presence in those geographies and markets and are therefore more familiar with local regulations, business practices and customs and have stronger relationships with customers. Our business may be exposed to various additional challenges including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully gauging market conditions in local markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; being susceptible to local taxation in additional geographical areas of India and adapting our marketing strategy and operations to different regions of India in which different languages are spoken. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

23. *Our business is based on the trust and confidence of our customers; any damage to that trust and confidence may materially and adversely affect our business, future financial performance and results of operations.*

We are dedicated to earning and maintaining the trust and confidence of our customers and we believe that the good reputation created thereby and inherent in the “” brand name is essential to our business. The reputation of our Company and/or the “” brand could be adversely affected by any threatened and/or legal proceedings and/or any negative

publicity or news articles in connection with our Company or the “” brand. As such, any damage to our reputation, or that of the “” brand name, could substantially impair our ability to maintain or grow our business. If we fail to maintain brand recognition with our target customers due to any issues with our product offerings, a deterioration in service quality, or otherwise, or if any premium in value attributed to our business or to the brands under which our services are provided declines, market perception and customer acceptance of our brands may also decline. Any negative news affecting us might also affect our reputation and brand value.

24. *System failures or inadequacy and security breaches in computer systems may adversely affect our business.*

Our business is increasingly dependent on our ability to process, on a daily basis, a large number of transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control including a disruption of electrical or communications services. Our ability to operate and remain competitive will depend in part on our ability to maintain and upgrade our information technology systems on a timely and cost-effective basis. The information available to and received by our management through our existing MIS systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. We may experience difficulties in upgrading, developing and expanding our systems quickly enough to accommodate our growing customer base and range of products. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code and other events that could compromise data integrity and security. Any failure to effectively maintain or improve or upgrade our management information systems in a timely manner could materially and adversely affect our competitiveness, financial position and results of operations. Moreover, if any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located.

25. *We do not have any insurance coverage to protect us against potential losses to which we may be subject.*

We have not taken any insurance coverage for a number of the risks associated with our business, such as insurance cover against loss or damage by fire, explosion, burglary, theft and robbery. To the extent that we suffer any loss or damage that is not covered by insurance, our business and results of operations could be adversely affected.

26. *All the loans granted are short term in nature.*

All of the loans we grant are due within one year of disbursement or are to be renewed within one year if need be. The relatively short-term nature of our loans means that our long-term interest income stream is less certain than if a portion of our loans were for a longer term. In addition, our borrowers may not obtain new loans from us upon maturity of their existing loans, particularly if competition increases. The potential instability of our interest income could materially and adversely affect our results of operations and financial position.

27. *Our measures to prevent money laundering may not be completely effective and we may be subject to scrutiny and penalties by the RBI for failure to implement effective measures. Moreover, various state government laws regulating money lending transactions could adversely affect our business, prospects, results of operations and financial condition.*

Our Company is required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. Our measures to prevent money laundering as required by the RBI and other KYC compliance applicable in India, including the Reserve Bank of India (Know Your Customer) Master Directions, 2016 dated February 25, 2016, as amended (“KYC Directions”) and the adoption of anti-money laundering policies and compliance procedures in all our branches may not be completely effective. Additionally, certain states in India have enacted laws to regulate money lending transactions, which may for instance establish a maximum rate of interest that can be charged.

In the event, we are required to comply with the provisions of these state money lending laws and KYC Compliances, there may be severe civil and criminal penalties for non-compliance with the relevant money lending statutes. In the event that the government of any state in India requires us to comply with the provisions of their respective state money lending laws, KYC Compliances, or imposes any penalty against us for prior non-compliance, our business and results of operations could be adversely affected.

28. *We are yet to obtain consents/ no objection certificate from the bankers of our Company for the Issue.*

Our Company had applied to Kotak Mahindra Bank Limited for obtaining their consents/ non-objection certificates for undertaking this Issue, however, as of date of this Draft Prospectus, our Company has not received the consent or no-objection certificate from the banks. We have vide email dated August 11, 2023, had requested the bank to provide us with their consent/no objection certificate w.r.t the Issue. However, as of date of this Draft Prospectus, we have not received the consent and no-objection certificate from the bank. The occurrence of any of the events mentioned above can adversely affect our

business, results of operations and financial condition.

29. ***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.

30. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data. Our strategies and risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behaviour. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated.

Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective. Our future success will depend, in part, on our ability to respond to new technological advances and evolving the NBFC standards and retail finance sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction processing systems to customer requirements or evolving market standards.

31. ***Our promoters, directors, key managerial personnel and senior management play key role in our functioning and we heavily rely on their knowledge and experience in operating our business and therefore, it is critical for our business that they remain associated with us.***

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees, especially branch managers and product executives. If we cannot hire additional qualified personnel or retain them, our ability to expand our business will be impaired and our revenue could decline. We will need to recruit new employees, who will have to be trained and integrated into our operations. We will also have to train existing employees to adhere properly to internal controls and risk management procedures. Failure to train and motivate our employees properly may result in an increase in employee attrition rates, divert management resources and subject us to incurring additional human resource related expenditure. Hiring and retaining qualified and skilled managers are critical to our future, as our business model depends on our credit-appraisal and asset valuation mechanism, which are personnel-driven operations. Moreover, competition for experienced employees in the finance sector can be intense. Our promoters, directors, key managerial personnel and senior management have been actively involved in the day-to-day operations and management since the incorporation of the Company. Further, our Promoters, directors, key managerial personnel and senior management may promote other companies/ firms/ ventures, will divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters, directors, key managerial personnel and senior management or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business. Our inability to attract and retain talented professionals, or the resignation or loss of key operations personnel, may have an adverse impact on our business and future financial performance.

32. ***We have had negative net cash flows from our operating, investing and financing activities in the recent financial years. Any negative cash flows in the future may adversely affect our results of operations and financial condition.***

We have had negative net cash flows from our operating, investing and financing activities during our last three financial years, the details of which are summarised below:

(₹ in lakhs)

| Name | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|--|-------------|-------------|-------------|
| Net cash generated from / (used in) operating activities | (894.39) | (563.67) | (80.58) |
| Net cash generated from/ (used in) investing activities | (8.17) | 11.77 | 65.52 |
| Net cash generated from/ (used in) financing activities | 879.06 | 638.52 | (0.47) |

Any negative cash flows in the future may adversely affect our results of operations and financial condition. For further details, please see *“Financial Statements”* on page 143.

33. Our liquidity may be affected by the COVID-19 pandemic which may affect our ability to continue to operate and grow our business.

There is no guarantee that we and the Indian financial services industry in general, notwithstanding measures taken by the Government, will be able to maintain sufficient liquidity given the uncertain scope and duration of the COVID-19 pandemic. Given the broad impact of COVID-19 on the financial markets, our ability to borrow money to fund our current and future customer demand is uncertain. Our liquidity could also be affected as our lenders reassess their exposure to NBFCs and either curtail access to financing facilities or impose higher costs to access such facilities. While there has been no significant loan write-off during the COVID-19 we cannot assure you that any outbreak of the COVID-19 in the future will not limit our ability to recover our loan in part, full or at all.

Even if such demand exists, we face a higher risk as a result of the COVID-19 pandemic stemming from our customers inability to repay the underlying loans. Further, if as a consequence of COVID-19, NBFCs are unable to meet their market commitments, this could affect investor confidence in NBFCs generally and result in a loss of investors in NBFCs. A liquidity shortage for the industry as a whole may adversely affect our cash flows.

34. We have made Company Law related non-compliances in the past. We may be subject to regulatory action, including monetary penalty that may be imposed on us.

There have been certain non-compliances in respect of company law related matters by the Company. For instance, non-compliances with regards to Companies Act, 2013 are mentioned below:

| Non-compliance | Action taken to rectify the non-compliance |
|---|---|
| Appointment of Hitisha Chanchad as Additional Non-Executive Independent Director before registration under Independent Director's Databank under MCA portal | Regularized as Non-Executive Independent Director after registration under Independent Director's Databank under MCA portal |

Further we shall intimate the respective regulatory authorities in case of any regulatory action, notices, fines, penalties, etc. by any authority pertaining to company law related non-compliances. Notices may be issued upon our Company and fines or penalties may also be imposed upon our Company, which may adversely affect our administration from compliance perspective. There can be no assurance that no penal action will be taken against us by the regulatory authorities with respect to the non-compliances. If any adverse actions are taken against us, our financial results could be affected.

35. We utilize the services of certain consultants for some of our operations. Any deficiency or interruption in their services could adversely affect our business operations and reputation.

We engage third party consultants from time-to-time for certain of our software products and development. Our ability to control the manner in which services are provided by third party consultants is limited and we may be liable legally or suffer reputational damage on account of any deficiency of services on part of such consultants. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from our third-party consultants. Any disruption or inefficiency in the services provided by our third-party consultants could interrupt our business operations and damage our reputation.

36. All of our offices and branches are located in rental premises and non-renewal of rental agreements or their renewal on terms unfavourable to us could adversely affect our operations.

As of March 31, 2023, all of our offices including our Registered Office, administrative office and branches are located in rental premises. Further, as we expand our branch network in line with our growth strategy, we expect the number of leased branches to increase significantly as all of our new branches are expected to open on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, or if they terminate the agreement, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations.

All or any of the leases may not be renewed on similar terms or at all, or we may be evicted from all or a number of these premises and be required to pay damages to the landlord. This may adversely impact our business and financial condition.

37. ***We require certain approvals and licenses in the ordinary course of business and are required to comply with certain rules and regulations to operate our business, and the failure to obtain, retain and renew such approvals and licenses in timely manner or comply with such rules and regulations or at all may adversely affect our operations.***

We require several statutory and regulatory permits, licenses and approvals to operate our business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Non-renewal of the said permits, approvals and licenses would adversely affect our operations, thereby having a material adverse effect on our business, results of operations and financial condition. There can be no assurance that the relevant authorities will issue any of such permits, approvals and licenses in the time-frame anticipated by us or at all. For further details, please see chapters titled “**Key Industry Regulations and Policies**” and “**Government and Other Approvals**” at pages 109 and 204 respectively of this Draft Prospectus.

As on the date of this Draft Prospectus, we had setup our branch offices in India and is yet to commence operation from such branch offices. Our Company will seek necessary approvals required for such branch offices. That will be no There can be no assurance that the relevant authorities will issue such permits or approvals in time or at all. Failure or delay in obtaining or maintaining or renewing the required approvals within applicable time or at all may result in interruption of our operations For more details please refer to chapter titled “**Government and Other Approvals**” and “**Our Business Overview**” at pages 204 and 98 respectively of this Draft Prospectus.

Any cancellation or suspension or non-renewal of any of the permits, licenses or approvals resulting from any regulatory non-compliance or otherwise or refusal of the relevant authorities to issue fresh approvals may materially and adversely affect our business prospects, results of operations and financial condition or comply with applicable rules and regulations or apply in time, renew or requisite licenses or maintain certifications with respect to our processing facilities, procurement and processing operations, and raw material and product quality, or an inability to otherwise comply with applicable laws, may result in the prohibition on sale of, our products in certain markets, may result in the interruption of our operations and may have a material adverse effect on the business

38. ***We have availed unsecured loans which are repayable on demand. Any demand for repayment of such unsecured loans, may adversely affect our cash flows.***

As on March 31, 2023, we have unsecured inter-corporate deposits amounting to ₹9.12 lakhs as per our Restated Financial Statements, which are repayable on demand to the lender. Further, these loans are not repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lender at any time. Any such unexpected demand or accelerated repayment may have a material adverse effect on the business, cash flows and financial condition of the borrower against which repayment is sought. Any demand from lenders for repayment of such unsecured loans, may adversely affect our cash flows. For further details of unsecured loans of our Company, see “**Restated Financial Statements**” on page 143 of this Draft Prospectus.

39. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into certain transactions with related parties, while we believe that all such transactions have been conducted on an arm’s length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Although all related party transactions that we may enter into will be subject to board or shareholder approval, as necessary under the Companies Act, 2013, as amended and the SEBI Listing Regulations, we cannot assure you that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details, see “**Related Party Transactions**” under “**Financial Statements**” on page 143.

40. ***The new bankruptcy code in India may affect our rights to recover loans from borrowers. The Insolvency and Bankruptcy Code, 2016 (“Bankruptcy Code”) was notified on August 5, 2016.***

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

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications.

Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees, and debts owed to unsecured creditors. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

While, we provide personal loan which are not covered under the Bankruptcy Code, we may in the future expand our product offerings, including providing SME and business loans. Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

Further, the GoI vide notification dated March 24, 2020 ("Notification") has amended section 4 of the Bankruptcy Code due to the lingering impact of the COVID-19 pandemic. Pursuant to the said Notification, GoI has increased the minimum amount of default under the insolvency matters from ₹1,00,000 to ₹1,00,00,000. Therefore, the ability of our Company to initiate insolvency proceedings against the defaulters where the amount of default in an insolvency matter is less than ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

41. *Our inability to maintain our capital adequacy ratio could adversely affect our business.*

The RBI Master Directions currently require NBFCs to comply with a capital to risk (weighted) assets ratio, or capital risk adequacy ratio ("CRAR"), consisting of Tier I and Tier II capital. Accordingly, we are required to maintain a CRAR consisting of Tier I and Tier II capital, which shall not be less than 15% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items on an ongoing basis. Our Company's Tier I capital adequacy ratio was 114.80% as of March 31, 2023 as per our Restated Financial Statements. Though presently our CRAR is higher than the prescribed regulatory requirement and we are well capitalized, if we continue to grow our Total Credit Exposure and asset base, we will be required to raise additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. Further, the RBI may increase its minimum CRAR threshold, which may require us to raise additional capital. There can be no assurance that we will be able to raise adequate additional capital in the future on terms favourable to us or at all, which could result in non-compliance with applicable capital adequacy ratios and may adversely affect the growth of our business. We cannot assure you that we would be able to raise adequate additional capital required under these regulations in the future on favourable terms, which may adversely affect the growth of our business.

42. *We use third-party software, hardware, technologies from third parties that may be difficult to replace or that may cause errors or defects in, or failures of, the software products or solutions we provide.*

We rely on software and hardware from various third parties to deliver our software products and solutions, as well as hosted applications from third parties. If any of these software and hardware become unavailable due to extended outages, interruptions or because they are no longer available on commercially reasonable terms, it could result in delays in the provisioning of our software products until equivalent technology is either developed by us, or, if available, is identified, obtained and integrated, which could increase our expenses or otherwise harm our business. Further, the third-party service providers may face closure, financial difficulty or be involved in major litigation, which may affect our access to their software and technologies. If we lose the licenses which permit us to use such software, they may be difficult to replace and it may be costly to do so. In addition, any errors or defects in or failures of this third-party software or hardware applications could result in errors or defects in or failures of our software products and solutions, which could harm our business and be costly to correct. Further, we are liable to our customers for any loss faced by them due to our use of these third-party software and technologies. Many of these providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our customers or third-party providers that could harm our reputation and increase our operating costs.

43. *The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.*

We intend to use the net proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, repayment of interest and principal of borrowings and for general corporate purposes. For further details, see "*Objects of the Issue*" at page 75. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the SEBI ICDR Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

44. *Our results of operations could be adversely affected as a result of any disputes with our employees.*

Our operations are personnel-driven, and we place a lot of emphasis on the effective training of our personnel in communication and service orientation skills. However, a failure to train and motivate our employees may lead to an increase in our employee attrition rates, erode the quality of customer service, divert management resources and impose significant costs on us which may have an adverse impact on our business and future financial performance.

We employ 81 full-time employees as of June 30, 2023, and lay significant emphasis on our employees' overall welfare. However, there can be no assurance that there will not be any future disruptions in our operations due to any disputes with our employees, or that such disputes will not adversely affect our business and results of operations. We depend on our branch-level employees for sourcing, disbursements and collections and customer liaison, and significant attrition at any of our branches could adversely impact our operations. Further, in the event of a labour dispute, protracted negotiations and strike action may impair our ability to carry on our day-to-day operations, which could materially and adversely affect our business, future financial performance and results of operations.

45. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the NBFC and Loan industries contained in this Draft Prospectus.*

While facts and other statistics in this Prospectus relating to India, the Indian economy as well as the Loan industry have been based on various publications and reports from agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials, particularly since there is limited publicly available information specific to the Loan industry. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics, the same have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in **“Industry Overview”** on page 92. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon.

Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

46. *Our ability to pay dividends in the future will depend on restrictive covenants of our financing arrangements, our future results of operations, financial condition, cash flows and working capital and capital expenditure requirements*

Any dividends to be declared and paid by us in the future are required to be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association, Dividend Policy and applicable laws and regulations. Our ability to pay dividends in the future will depend on our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements, capital expenditure requirements, business prospects and any other financing arrangements.

Dividends distributed by us will be taxed by any applicable dividend distribution tax and may be subject to other requirements prescribed by the regulatory authorities, as the case may be. We cannot assure you that we will generate sufficient revenues to cover our operating expenses and, as such, pay dividends to our shareholders in future consistent with our past practices, or at all. For details pertaining to dividend declared by us in the past, please see **“Other Regulatory and Statutory Disclosures”** on page 209. As per the law, dividends may be paid out of profits earned during the year or out of accumulated profits earned by a company in previous years and transferred by it to its reserves (subject to certain conditions). Any accumulated profits that are not distributed in a given year are retained and may be available for distribution in subsequent years.

47. *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 not commissioned an industry report for the disclosures made in the chapter titled **‘Industry Overview’** beginning of page 92 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 made disclosures in the said chapter on the basis of the relevant industry related data available online for which relevant consents have 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 Prospectus. Further, the industry data mentioned in this Draft Prospectus 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 Prospectus in this context.

48. *In addition to normal remuneration, other benefits and reimbursement of expenses some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company.*

Some of our directors (including our Promoters) are interested in our Company to the extent of their shareholding and dividend entitlement in our Company, in addition to normal remuneration or benefits and reimbursement of expenses. We cannot assure you that our directors would always exercise their rights as shareholders to the benefit and best interest of our Company.

Other than the interest of our Director, Manish Patel with respect to the lease of our Registered office of our Company, our Directors do not have any interest in any property acquired by our Company including in the preceding three years from the

date of this Draft Prospectus. Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Prospectus. For further information, see the chapters titled “*Our Management*”, “*Our Promoter and Promoter Group*” and “*Financial Statements*” beginning on page 125, 137 and 143, respectively of this Draft Prospectus.

49. *Our actual results could differ from the estimates and projections used to prepare our financial statements.*

The estimates and projections are based on and reflect our current expectations, assumptions and/ or projections as well as our perception of historical trends and current conditions, as well as other factors that we believe are appropriate and reasonable under the circumstances. There can be no assurance that our expectations, estimates, assumptions and/or projections, including with respect to the future earnings and performance will prove to be correct or that any of our expectations, estimates or projections will be achieved.

50. *Certain agreements may be inadequately stamped or may not have been registered as a result of which our operations may be adversely affected.*

Few of our agreements may not be stamped adequately or registered. The effect of inadequate stamping is that the document is not admissible as evidence in legal proceedings and parties to that agreement may not be able to legally enforce the same, except after paying a penalty for inadequate stamping. The effect of nonregistration, in certain cases, is to make the document inadmissible in legal proceedings. Any potential dispute due to non-compliance of local laws relating to stamp duty and registration may adversely impact the operations of our Company.

51. *The objects of the issue are not for any specified projects.*

The proceeds of this Issue will be used by the Issuer in accordance with applicable laws and not for any specified projects. For further details, see “*Objects of the Issue*” on page 75.

52. *Negative publicity could damage our reputation and adversely impact our business and financial results. Reputational risk, or the risk to our business, earnings and capital from negative publicity, is inherent in our business.*

The reputation of the non-banking financial industry in general has been closely monitored as a result of the global financial crisis and other matters affecting the financial services industry. Negative public opinion about the non-banking finance industry generally or us specifically could materially adversely affect our ability to attract and retain customers and may expose us to litigation and regulatory action. While we have developed our brand and reputation over our history, any negative incidents or adverse publicity could rapidly erode customer trust and confidence in us, particularly if such incidents receive widespread adverse mainstream and social media publicity, or attract regulatory investigations. Negative publicity can result from our own or our third-party service providers’ actual or alleged conduct in any number of activities, including lending practices, mortgage servicing and foreclosure practices, technological practices, corporate governance, regulatory compliance, mergers and acquisitions, and related disclosure, sharing or inadequate protection of customer information, and actions taken by government regulators and community organisations in response to that conduct. Although we take steps to minimise reputational risk in dealing with customers and other constituencies, we, as a large financial services organisation with a high industry profile, are inherently exposed to this risk. Any damage to our brand or our reputation may result in withdrawal of business by our existing customers, loss of new business from potential customers.

53. *We continue to be controlled by our Promoter and Promoter Group and they will continue to have the ability to exercise significant control over us. We cannot assure you that exercise of control by our Promoter will always favour our best interest.*

Our Promoters and Promoter Group hold 85.55% of our total outstanding paid up Equity Shares as on the date of this Draft Prospectus. Our Promoters and Promoter Group exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoters and Promoter Group may take or block actions with respect to our business, which may conflict with our interests. By exercising their control, our Promoters and Promoters Group could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

54. *Fluctuations in the market value of our investments could adversely affect our results of operations and financial condition.*

Fluctuations in the market values of our investments as part of treasury management could cause us to write down the value of our assets, affect our liquidity and reduce our ability to enforce our security, which could adversely affect our result of operations and financial condition. We may not accurately identify changes in the value of our investments caused by changes in market prices, and our assessments, assumptions or estimates may prove inaccurate or not predictive of actual results.

55. *We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Offer. Further we have not identified any alternate source of financing the Objects of the Offer. Any shortfall in raising / meeting the*

same could adversely affect our growth plans, business operations and financial condition

As on date of this Draft Prospectus, we have not made any alternate arrangements for meeting our capital requirements for some of the objects of the Offer. We meet our capital requirements through, owned funds and internal accruals. Any shortfall in our net owned funds, internal accruals and our inability to raise debt in future would result in us being unable to meet our capital requirements, which in turn will negatively affect our financial condition and results of operations. Further we have not identified any alternate source of funding and hence any failure or delay on our part to raise money from this offer or any shortfall in the Offer proceeds may delay the implementation schedule and could adversely affect our growth plans. For further details, please refer to the chapter titled “***Objects of the Offer***” beginning on page 94 of this Draft Prospectus.

56. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.*

We propose to utilize the Net Proceeds for the purposes described in “***Objects of the Offer***” on page 75. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilization of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters to provide an exit opportunity to such dissenting shareholders may deter the Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, or vary the terms of any contract referred to in this Draft Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business, cash flows and results of operations.

57. *The average cost of acquisition of Equity Shares by our Promoters could be lower than the price determined at time of registering the Draft Prospectus.*

Our Promoters’ average cost of acquisition of Equity Shares in our Company may be lower than the Price as may be decided by the Company in consultation with the LM. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer chapter title “***Capital Structure***” beginning on page 55 of this Draft Prospectus

58. *Our Company has issued Equity Shares during the preceding one year at a price that may be below the Issue Price.*

We have, in the preceding one year prior to filing this Draft Prospectus, issued equity shares which may be lower than the issue price. The price at which the Equity Shares have been issued by our Company in the preceding one year is not indicative of the Issue Price, or the price at which the Equity Shares will be traded going forward.

The details of Equity Shares issued at a price which may be lower than the Issue Price is mentioned below:

| Sr. No. | Nature | Date | Equity Shares | Face Value (in ₹) | Premium (in ₹) | Total (in ₹) |
|---------|---------------------------------------|-------------------|---------------|-------------------|----------------|--------------|
| 1. | Conversion of Loan into Equity Shares | February 20, 2023 | 225,282 | 10.00 | 185.00 | 195.00 |
| 2. | Bonus Issue | March 17, 2023 | 43,56,628 | 10.00 | NA | NIL |
| 3. | Conversion of Loan into Equity Shares | March 30, 2023 | 12,48,415 | 10.00 | 75.00 | 85.00 |
| 4. | Bonus Issue | June 05, 2023 | 90,90,325 | 10.00 | NA | NIL |

Further, our Company may, in the future, continue to issue Equity Shares at prices that may be lower than the Issue Price, subject to compliance with applicable law. Any issuances of Equity Shares by our Company may dilute your shareholding in the Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For further details, see “***Capital Structure***” on page 55.

59. *The deployment of funds raised through this Offer shall not be subject to any Monitoring Agency and shall be purely*

dependent on the discretion of the management of our Company.

Since the Issue size is less than ₹10,000 Lakhs, there is no mandatory requirement of appointing an Independent Monitoring Agency for overseeing the deployment of utilization of funds raised through this Issue. The deployment of these funds raised through this Issue, is hence, at the discretion of the management and the Board of Directors of our Company and will not be subject to monitoring by any independent agency. Any inability on our part to effectively utilize the Fresh Issue proceeds could adversely affect our financials. However, as per the Section 177 of the Companies Act, 2013 and applicable laws, the Board and Audit Committee of our Company would be monitoring the utilization of the Offer Proceeds.

60. *If we fail to maintain an effective system of internal controls, we may not be able to successfully manage, or accurately report, our financial risks.*

Effective internal controls are necessary for us to prepare reliable and avoid fraud. Moreover, any internal controls that we may implement, or our level of compliance with such controls, may deteriorate over time, due to evolving business conditions. We cannot assure you that deficiencies in our internal controls will not arise in the future, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls. Any inability on our part to adequately detect, rectify or mitigate any such deficiencies in our internal controls may affect ability to accurately report, or successfully manage, our financial risks, and to avoid fraud, which may in turn adversely affect our business, financial condition or results of operations.

61. *We may raise further borrowings and charge our assets*

We are not barred from raising future borrowings and may charge its assets from time to time for any of such future borrowings. In the event of a default in repayment of the borrowings of the Company which will also trigger cross default of the Debentures, the borrowings of the Company which are secured with the assets of the Issuer will have a higher probability of being repaid/redeemed than the Debentures.

EXTERNAL RISK FACTORS

62. *Our business is dependent on economic growth in India.*

The performance and growth of our business are necessarily dependent on economic conditions prevalent in India, which may be materially and adversely affected by centre or state political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. There have been periods of slowdown in the economic growth of India. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on the price of our raw materials and demand for our products and, as a result, on our business and financial results.

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. 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 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 worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results.

63. *An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our operations.*

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus and its variants, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition.

64. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.*

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between nonresidents 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 rupees proceeds from the 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 authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

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

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, financial condition and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy.

66. *Political, economic, legal, tax, operation and other factors that are beyond our control may have an adverse effect on our business and results of operations.*

The following external risks may have an adverse impact on our business and results of operations should any of them materialise:

- a) high rates of inflation in India and in countries where we operate our business could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins;
- b) changes in existing laws and regulations in India and in countries where we operate our business;
- c) changes in trade policies, in terms of tariff and non-tariff barriers; and
- d) a slowdown in economic growth or financial instability in India and in countries where we operate our business could adversely affect our business and results of operations.

67. *If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.*

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for fabrication of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on to our customers and our results of operations and financial condition may be materially and adversely affected.

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

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of our Equity Shares.

69. *Any changes in the regulatory framework could adversely affect our operations and growth prospects.*

Our Company is subject to various regulations and policies. For details refer to the Chapter titled "**Key Industry Regulations and Policies**" beginning on page 98 of this Draft Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

70. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.*

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other/ adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Risk Related to our Equity shares

71. *The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.*

The Issue Price of the Equity Shares has been determined by our Company in consultation with the LM, and through the Fixed Issue Process. This price is based on numerous factors, as described under “**Basis for Issue Price**” beginning on page 80 of this Draft Prospectus and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Issue Price.

72. *Rights of shareholders under Indian laws may differ to those 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 similar to the shareholders’ rights under the laws of other countries or jurisdictions.

73. *The trading volume and market price of the Equity Shares may be volatile following the Issue.*

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- Half yearly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts’ recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key management personnel;
- changes in exchange rates;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

74. *Our Equity Shares have not been publicly traded prior to this Issue. After this Issue, our Equity Shares may experience price and volume fluctuations and an active trading market for our Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Issue Price, or at all.*

Prior to this Issue, there has been no public market for our Equity Shares. An active trading market on the Stock Exchanges may not develop or be sustained after this Issue.

The trading price of our Equity Shares after this Issue may be subject to significant fluctuations in response to factors including general economic, political and social factors, developments in India’s fiscal regime, variations in our operating results, volatility in Indian and global securities markets, developments in our business as well as our industry and market perception regarding investments in our business, 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. The trading price of our Equity Shares may also decline in reaction to events that affect the entire market and/or other companies in our industry even if these events do not directly affect us and/or are unrelated to our business or operating results.

75. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example,

the exchange rate between the Rupee and the U.S. dollar has fluctuated in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

76. *Foreign investors are subject to foreign investment restrictions under Indian law that limit our ability to attract foreign investors, which may adversely affect the trading price of our Equity Shares.*

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 requirements specified by the RBI. If the transfer of shares is not in compliance with such requirements or falls under any of the specified exceptions, then prior approval of the RBI will be required. Further, in accordance with press note 3 of 2020, dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. These investment restrictions shall also apply to subscribers of offshore derivative instruments.

In addition, 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 or tax clearance certificate from the income tax authority. Additionally, the Indian government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Indian government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Indian government's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. 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.

77. *Investors may have difficulty enforcing foreign judgments against us or our management.*

We are a limited liability Company incorporated under the laws of India. All our directors and executive officers are residents of India and a majority of our assets and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of CPC on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the 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 record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

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

Capital gains arising from the sale of equity shares within 12 months in an Indian Company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") is paid on the transaction. STT is levied on and collected by a domestic stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months to an Indian resident, which are sold other than on a recognized stock exchange and on which no STT has been paid, is subject to long term capital gains tax in India. Further, any gain realised 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 equity shares is exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is 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 to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares

79. *Any future issuance of Equity Shares by us may dilute your shareholding and sales of the equity shares by our Promoter, Promoter Group or other major shareholders may adversely affect the trading price of the Equity Shares.*

We may be required to finance our growth through future equity offerings. Any future issuance of Equity Shares by us may dilute your shareholding in us. In addition, any sales of substantial amounts of the Equity Shares in the public market after the completion of the Issue, including by our Promoter or the perception that such sales could occur, could adversely affect the market price of the Equity Shares and could materially impair future ability of us to raise capital through offerings of the

Equity Shares. Any future issuances of Equity Shares or the disposal of Equity Shares by our major shareholders including our Promoters, or the perception that such issuance or sales may occur, may adversely affect the trading price of our Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or encumber their Equity Shares. Any future issuances could also dilute the value of your investment in our Equity Shares. We cannot predict the effect, if any, that the sale of the Equity Shares held by our Promoter or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of the Equity Shares.

80. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby suffer future dilution of their ownership position.*

A public Company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to 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 equity shares voting on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offer 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. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company would be diluted.

81. *There is no guarantee that our Equity Shares will be listed on NSE Emerge in a timely manner or at all.*

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Issue and until Allotment of Equity Shares pursuant to this Issue.

In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the NSE Ltd within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

82. *The requirements of being a listed Company may strain our resources.*

We are not a listed Company and have historically not been subjected to the compliance requirements and increased scrutiny of our affairs by shareholders, regulators and the public at large associated with being a listed Company. As a listed Company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted Company. We will be subject to the SEBI Listing Regulations which will require us to file audited annual and unaudited half yearly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations or cash flows as promptly as other listed companies.

Further, as a listed Company, we will be required to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required. As a result, our management's attention may be diverted from our business concerns, which may adversely affect our business, prospects, financial condition, results of operations and cash flows. In addition, we may need to hire additional legal and accounting staff with appropriate experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

83. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI Takeover Regulations"), an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of our Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the SEBI Takeover Regulations.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian Company than as shareholders of an entity in another jurisdiction.

85. *If certain labour laws become applicable to us, our profitability may be adversely affected.*

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

86. *Investors will not be able to sell immediately on an Indian stock exchange any of our Equity Shares they purchase in the Offer.*

Our Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before our Equity Shares can be listed and trading in our Equity Shares may commence, including the crediting of the Investors "demat" accounts within the timeline specified under applicable law.

Furthermore, in accordance with Indian law, permission for listing of our Equity Shares will not be granted until after our Equity Shares in this Offer have been Allotted and submission of all other relevant documents authorizing the issuing of our Equity Shares. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant's demat account with a depository participant could take approximately five Working Days from the Issue /Offer Closing Date, and trading in our Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Issue/Offer Closing Date. There could be a failure or delay in listing of our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise to commence trading in our Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that our Equity Shares will be credited to investors' demat accounts, or that trading in our Equity Shares will commence, within the prescribed time periods or at all. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

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

Our listed Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

SECTION - III –INTRODUCTION

THE ISSUE

The following table summarizes the Issue details:

| PARTICULARS | DETAILS OF EQUITY SHARES |
|---|--|
| Issue of Equity Shares by our Company | Upto 67,25,000 Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to maximum ₹ [●] Lakhs |
| Consisting of | |
| Market Maker Reservation Portion | [●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs |
| Net Issue to the Public* | [●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs |
| of which | |
| (A) Retail Individual Investors. | [●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation Retail Individual Investors |
| (B) Other Than Retail Individual Investor | [●] Equity Shares of face value of ₹ 10.00 /- each fully paid-up for cash at price of ₹ [●]/- per Equity Share aggregating to ₹ [●] Lakhs i.e., 50% of the Net Issue shall be available for allocation for Investors other than Retail Individual Investors. |
| Pre-and Post-Issue Equity Shares | |
| Equity shares outstanding prior to the issue | 1,81,80,650 Equity Shares of face value of ₹ 10.00 /- each |
| Equity shares outstanding after the issue | [●] Equity Shares of face value of ₹ 10.00 /- each |
| Use Of Issue Proceeds | For details, please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 75 of this Draft Prospectus. |

The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on June 10, 2023 and approved by the shareholders of our Company vide a special resolution at the Extraordinary General Meeting held on July 07, 2023 pursuant to section 62(1)(c) of the Companies Act.

*This Issue is being made in terms of Chapter IX of SEBI ICDR Regulations, 2018, as amended. For further details, please refer to chapter titled “**Issue Structure**” beginning on page 229 of this Draft Prospectus.*

**As per the Regulation 253 of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue the allocation in the net Issue to the public category shall be made as follows:*

a) *Minimum fifty percent to retail individual investor; and*

b) *remaining to:*

(i) individual applicants other than retail individual investors; and

(ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) above may be allocated to applicants in the other category

If the retail individual investor category is entitled to more than allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

SUMMARY OF FINANCIAL INFORMATION

The following table set forth summary financial information derived from the Restated Financial Statements. The summary financial information presented below should be read in conjunction with “*Restated Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 143 and 182 respectively of this Draft Prospectus.

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Annexure 1: Restated Summary Statement of Assets and Liabilities

| Particulars | Annexure | As at 31 March | | |
|---|----------|----------------|----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Equity and liabilities | | | | |
| Shareholders' funds | | | | |
| Share capital | 5 | 909.03 | 326.00 | 326.00 |
| Reserves and surplus | 6 | 1139.71 | 29.47 | -13.27 |
| | | 2048.74 | 355.47 | 312.73 |
| Non-current liabilities | | | | |
| Long-term borrowings | 7 | 0.00 | 0.00 | 0.00 |
| Deferred tax liabilities (net) | 8 | 0.00 | 0.00 | 0.00 |
| Other long-term liabilities | | 0.00 | 0.00 | 0.00 |
| Long-term provisions | 9 | 14.10 | 5.21 | 4.38 |
| | | 14.10 | 5.21 | 4.38 |
| Current liabilities | | | | |
| Short-term borrowings | 7 | 9.12 | 640.58 | 0.00 |
| Trade payables | 10 | | 0.00 | 0.00 |
| - total outstanding dues of micro and small enterprises | | 0.00 | 0.00 | 0.00 |
| - total outstanding dues other than micro and small enterprises | | 6.59 | 2.21 | 0.14 |
| Other current liabilities | 11 | 38.47 | 8.11 | 6.30 |
| Short-term provisions | 9 | 101.08 | 11.28 | 15.54 |
| | | 155.26 | 662.17 | 21.98 |
| Total | | 2218.11 | 1022.85 | 339.10 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 12 | 15.87 | 9.63 | 4.30 |
| Intangible assets | 13 | 0.93 | 2.60 | 4.96 |
| Capital work-in-progress | | | | |
| Non-current investments | | 0.00 | 0.00 | 0.00 |
| Deferred tax assets (net) | 8 | 0.00 | 0.00 | 0.00 |
| Long-term loans and advances | 14 | 9.67 | 3.48 | 18.22 |
| Other non-current assets | | 0.00 | 0.00 | 0.00 |
| | | 26.46 | 15.70 | 27.48 |
| Current assets | | | | |
| Trade receivables | | 0.00 | 0.00 | 0.00 |
| Cash and bank balances | 15 | 104.45 | 127.95 | 41.33 |
| Short-term loans and advances | 14 | 1784.62 | 878.61 | 265.24 |
| Other current assets | 16 | 302.57 | 0.58 | 5.05 |
| | | 2191.64 | 1007.14 | 311.62 |
| Total | | 2218.11 | 1022.85 | 339.10 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information in Annexure 4.

As per our report of even date attached

For VCAS & Co.
Chartered Accountants
Firm Registration No.123372W

For and on behalf of the Board of Directors

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275
Place : Surat
Date : 04/08/2023

Unnati Mistry
CFO (KMP)
Place : Surat
Date : 04/08/2023

Dillip Chauhan
Company Secretary

| Particulars | Annexure | For the year ended 31 March | | |
|---------------------------------------|----------|-----------------------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Revenue | | | | |
| Revenue from operations | 17 | 1330.52 | 327.08 | 112.59 |
| Other income | 18 | 2.61 | 0.00 | 0.00 |
| Total revenue | | 1333.13 | 327.08 | 112.59 |
| Expenses | | | | |
| Employee benefits expense | 19 | 271.71 | 102.13 | 47.83 |
| Finance costs | 20 | 122.58 | 8.33 | 0.47 |
| Depreciation and amortisation expense | 21 | 5.21 | 5.19 | 6.37 |
| Provisions and Loan Losses | 22 | 322.37 | 70.19 | 12.33 |
| Other expenses | 23 | 336.74 | 84.71 | 54.87 |
| Total expenses | | 1058.61 | 270.55 | 121.86 |
| Profit before tax | | 274.52 | 56.53 | -9.27 |
| Tax expense | | | | |
| Current tax | | 81.69 | 13.80 | 0.61 |
| Deferred tax (credit)/charge | | 0.00 | 0.00 | 0.00 |
| Profit for the period / year | | 192.83 | 42.73 | -9.88 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4

As per our report of even date attached

For VCAS & Co.
Chartered Accountants
Firm Registration No.123372W

For and on behalf of the Board of Directors

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275
Place : Surat
Date : 04/08/2023

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

Unnati Mistry
CFO (KMP)
Place : Surat
Date : 04/08/2023

Dillip Chauhan
Company Secretary

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|----------------|---------------|
| | 2023 | 2022 | 2021 |
| A. Cash flow from operating activities | | | |
| Profit before tax, as restated | 286.36 | 57.96 | -4.53 |
| Adjustments for : | | | |
| Depreciation and amortisation expense | 0.00 | 0.00 | 0.00 |
| Unrealised loss / (gain) on foreign currency transactions and translations (net) | 0.00 | 0.00 | 0.00 |
| Finance costs | 8.83 | 2.06 | 0.47 |
| Sale of Fixed Assets | 0.20 | 0.00 | 0.00 |
| Transferred to bonus | 18.89 | 0.00 | 0.00 |
| Profit on Sale of Investments | 2.39 | 0.00 | 0.00 |
| Dividend income | 0.00 | 0.00 | 0.00 |
| Interest income on deposits | 0.00 | 0.00 | 0.00 |
| Operating profit before working capital changes | 273.71 | 60.02 | -4.05 |
| Changes in working capital: | | | |
| Increase / (decrease) in trade payables, liabilities and provisions | 120.47 | -0.99 | 8.05 |
| (Increase) / decrease in other Current Assets | -301.99 | 4.47 | -8.81 |
| (Increase) / decrease in loans and advances and other assets | -904.88 | -613.37 | -75.15 |
| Cash generated from / (utilised in) operations | -812.70 | -549.87 | -79.96 |
| Less : Income tax paid | 81.69 | 13.80 | 0.61 |
| Net cash flow generated from/ (utilised in) operating activities (A) | -894.39 | -563.67 | -80.58 |
| B. Cash flow from investing activities | | | |
| Purchase of property, plant and equipment (including intangible assets and intangible assets under development) | -4.57 | -2.97 | 2.69 |
| Increase/(Decrease) Loan given | -6.19 | 14.74 | 62.83 |
| Profit on Sale of Investments | 2.39 | 0.00 | 0.00 |
| Sale of Fixed Assets | 0.20 | 0.00 | 0.00 |
| Net cash flow utilised in investing activities (B) | -8.17 | 11.77 | 65.52 |
| C. Cash flow from financing activities | | | |
| Increase/(Decrease) in Unsecured Loan | -631.45 | 640.58 | 0.00 |
| Increase/(Decrease) in Bank Loan | 0.00 | 0.00 | 0.00 |
| Dividend paid | 0.00 | 0.00 | 0.00 |
| Proceeds from / (repayment of) short-term borrowings (net) | 0.00 | 0.00 | 0.00 |
| Interest & Financial Charges | -8.83 | -2.06 | -0.47 |
| Proceeds from issuance of shares | 1519.34 | 0.00 | 0.00 |
| Net cash flow generated from/ (utilised in) financing activities (C) | 879.06 | 638.52 | -0.47 |
| Net (decrease)/ increase in cash & cash equivalents (A+B+C) | -23.50 | 86.62 | -15.53 |
| Cash and cash equivalents at the beginning of the period/ year | 127.95 | 41.33 | 56.86 |
| Cash and cash equivalents at the end of the period/ year | 104.45 | 127.95 | 41.33 |
| (Refer Annexure 19) | 104.45 | 127.95 | 41.33 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.

The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.

As per our report of even date attached

CA. Jagdish Vaishnav
Chartered Accountants
Firm Registration No.123372W

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275

Place : Surat
Date : 04/08/2023

For and on behalf of the Board of Directors

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

Unnati Mistry
CFO (KMP)

Dillip Chauhan
Company Secretary

Place : Surat
Date : 04/08/2023

GENERAL INFORMATION

Our Company was originally incorporated as a private company in the name and style of “IBL Finance Private Limited” under Companies Act, 2013 vide certificate of incorporation dated August 03, 2017 issued by Registrar of Companies, Central Registration Center. Our Company was converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the Extra-Ordinary General Meeting held on April 27, 2023 and consequently upon conversion, the name of our Company was changed to “IBL Finance Limited” vide a fresh certificate of incorporation dated May 22, 2023, bearing Corporate Identification Number U65999GJ2017PLC098565 issued by the Registrar of Companies, Ahmedabad.

For further details, please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 122 of this Draft Prospectus.

REGISTERED OFFICE OF OUR COMPANY

IBL Finance Limited

Shop-151, Silver Stone Arcade,
Near Kantheriya Hanuman Temple,
OP-34/A+B+C+D, FP-50, Singanpore, Causeway Road,
Katargam, Surat - 395004, Gujarat, India
Tel No: 9828116900

Email: compliance@iblfinance.in

Website: <https://iblfinance.in/>

Corporate Identification Number: U65999GJ2017PLC098565

Registration Number: 098565

ADDRESS OF THE REGISTRAR OF COMPANIES

Our Company is registered with the Registrar of Companies, Ahmedabad located at the following address:

ROC Bhavan, Opp Rupal Park Society, Behind Ankur Bus Stop, Naranpura, Ahmedabad-380013, Gujarat, India.

BOARD OF DIRECTORS OF OUR COMPANY

Our Company’s Board comprises of the following Directors as set forth in the following table: -

| Name | DIN | Designation | Address |
|--------------------|----------|------------------------------------|---|
| Manish Patel | 07840184 | Chairman and Managing Director | Plot No. B/9, Western Oasis, Behind Govardhan Park, Gangeshwar Mahadev Road, Adajan, Surat-395009 Gujarat |
| Piyush Patel | 07838311 | Whole-Time Director | Plot No. B/9, Western Oasis, Behind Govardhan Park, Gangeshwar Mahadev Road, Adajan, Surat-395009 Gujarat |
| Mansukhbhai Patel | 07838306 | Whole-Time Director | Plot No. B/9, Western Oasis, Behind Govardhan Park, Gangeshwar Mahadev Road, Adajan, Surat-395009 Gujarat |
| Ajaykumar Baldha | 08527085 | Non-Executive Director | A-64, Rangavdhut Society, Lambe Hanuman Road, Varachha Road, Surat, Gujarat - 395006 |
| Bipinkumar Hirpara | 08249274 | Non-Executive Independent Director | B-902, Swapna Sangini, B/H, Nandanvan 2, Vesu, VIP road, Surat, Gujarat - 395007 |
| Hitisha Chanchad | 10173778 | Non-Executive Independent Director | B-53, Rang Avdhut Society-4, Matavadi, Surat, Gujarat, 395006 |

For detailed profile of our Board of Directors, please refer to the chapter titled “*Our Management*” beginning on page 125 of this Draft Prospectus.

CHIEF FINANCIAL OFFICER

Unnatiben Mistry
Shop-151, Silver Stone Arcade,
Nr. Kantheriya Hanuman Temple,
OP-34/A+B+C+D, FP-50, Singanpore Causeway Road,
Katargam, Surat - 395004, Gujarat, India
Tel No: 9828116900

Email: accounts@iblfinance.in

Website: <https://iblfinance.in/>

COMPANY SECRETARY & COMPLIANCE OFFICER

Dilipbhai Chauhan
Shop-151, Silver Stone Arcade,
Nr. Kantheriya Hanuman Temple,
OP-34/A+B+C+D, FP-50, Singanpore Causeway Road,
Katargam, Surat - 395004, Gujarat, India
Tel No: 9828116900
Email: compliance@iblfinance.in
Website: <https://iblfinance.in/>

Note: Investors can contact our Company Secretary and Compliance Officer, the Lead Manager or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode etc.

INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode, etc. For all Issue related queries and for redressal of complaints, investors may also write to the Lead Manager.

All Issue related grievances relating to the ASBA process and UPI payment mechanism may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, Application Form Number, Applicant's DP ID, Client ID, UPI ID, PAN, date of the Application Form, address of the Applicant, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Applicants who make the payment of Application amount through the UPI Mechanism), date of Application Form, and the name and address of the Designated Intermediary(ies) where the ASBA Form was submitted by the ASBA Applicant. Further, the Applicant shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances relating to Application submitted through Registered Brokers may be addressed to the Stock Exchange with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Applicants.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any Applicants whose Application has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and EBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post offer lead manager is required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

| LEAD MANAGER TO THE ISSUE | REGISTRAR TO THE ISSUE |
|---|---|
| FEDEX SECURITIES PRIVATE LIMITED B 7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No: +91 8104985249 Contact Person: Saipan Sanghvi Email Id: mb@fedsec.in Website: www.fedsec.in Investor Grievance Email: mb@fedsec.in SEBI Registration Number: INM000010163 | BIGSHARE SERVICES PRIVATE LIMITED Office No. S6 - 2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri - [East], Mumbai - 400093, Maharashtra, India. Tel No: +91 22 6263 8200 Fax No: +91 22 6263 8299 E-mail Id: ipo@bigshareonline.com Website: www.bigshareonline.com Contact Person: Babu Rapheal C SEBI Registration No: INR000001385 |
| LEGAL ADVISOR TO THE ISSUE | BANKERS TO THE ISSUE / REFUND BANK / SPONSOR BANK |

| | |
|--|---|
| Shaileshkumar Ashokbhai Ghevariya B-136, Matrushakti Society, Punagam, Surat -395006 Tel No: +91- 8866668121 E-mail Id: ghevariya21@gmail.com Contact Person: Shaileshkumar Ghevariya Bar Council No.: G/3212/2015 | [●] [●] Tel No: 022- [●] Fax No: 022- [●] E-mail Id: [●] Website: [●] Contact Person: Mr. [●] SEBI Registration No: [●] |
| BANKERS TO THE COMPANY | |
| YES BANK LIMITED Ground floor, Mangaldeep Complex, Ring Road, Surat - 395001 Tel No: 02616629000 E-mail Id: umesh.rana@yesbank.in Website: www.yesbank.in Contact Person: Umesh Rana | [●]* [●] Tel No: 022- [●] Fax No: 022- [●] E-mail Id: [●] Website: [●] Contact Person: Mr. [●] SEBI Registration No: [●] |
| STATUTORY AUDITOR AND PEER REVIEW AUDITOR | |
| V C A S & Co., Chartered Accountant 141, Kamal Park Soc.-2, Nr. Little Flower School, Hirabaug to Kalakunj Mandir Road, Kapodara, Surat – 395006, Gujarat, India Tel No: 022 2781 2246/48 E-mail Id: vcasandco@gmail.com Contact Person: CA Jagdish Vaishnav Firm Registration No: 123372W Membership No: 139060 Peer Review Number: 015194 | |
| UNDERWRITERS TO THE ISSUE | MARKET MAKER TO THE ISSUE |
| [●] | [●] |

*See “Risk Factors - We are yet to obtain consents/ no objection certificate from bankers of our Company for the Issue” beginning on page 20 in this Draft Prospectus.

SYNDICATE MEMBER

As on the date of this Draft Prospectus, there are no syndicate members.

DESIGNATED INTERMEDIARIES

SELF-CERTIFIED SYNDICATE BANKS (“SCSBs”)

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Applicant (other than an UPI Applicant using the UPI Mechanism), not Bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, Retail Individual Applicant using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, UPI Applicants Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI, which may be updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI Mechanism is provided as ‘Annexure A’ for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and is also available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> for SCSBs and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> for mobile applications or at such other websites as may be prescribed by SEBI from time to time.

SYNDICATE SCSB BRANCHES

In relation to Applications (other than Applications by Anchor Investors and RIIs) submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI

(www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) and updated from time to time or any such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

Applicants can submit ASBA Forms in the Issue using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS (“RTA”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the RTAs eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the website of the SEBI, and updated from time to time. For details on RTA, please refer <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. The link to the list of RTAs is also provided on the websites of the Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm respectively, as updated from time to time

COLLECTING DEPOSITORY PARTICIPANTS (“CDP”)

In terms of SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, the list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of SEBI (www.sebi.gov.in) on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and as updated from time to time.

STATEMENT OF INTER-SE ALLOCATION OF RESPONSIBILITIES

Fedex Securities Private Limited being sole Lead Manager to this Issue, all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them. Hence, a statement of inter-se allocation of responsibilities is not required.

IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is no requirement of appointing an IPO Grading agency.

CREDIT RATING

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

DEBENTURE TRUSTEES

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

GREEN SHOE OPTION

No Green Shoe Option is contemplated under this Issue.

BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

MONITORING AGENCY

As per regulation 262(1) of the SEBI ICDR Regulations, the requirement of Monitoring Agency is not mandatory if the Issue size is below 10,000 Lakh. Since the Issue Size is ₹ [●] Lakhs, our Company has not appointed any monitoring agency for this Issue. However, as per Section 177 of the Companies Act, 2013, the Board and Audit Committee of our Company, would be monitoring the utilization of the proceeds of the Issue.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue.

EXPERT OPINION

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

Our Company has received written consent from the Statutory Auditor and Peer Review Auditor namely, VCAS & Co., Chartered Accountant., to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Prospectus/Prospectus and as “Expert” as defined under section 2(38) of the Companies Act, 2013 in respect to their Report on Restated Financial Statements dated August 04, 2023 and Report on Statement of Tax Benefits dated July 13, 2023 issued by them,

included in this Draft Prospectus and such consent has not been withdrawn as on the date of this Draft Prospectus.

However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act.

FILING THE DRAFT PROSPECTUS / PROSPECTUS

- The Draft Prospectus and Prospectus shall be filed with EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) situated at Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051.
- Pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2022, Draft Prospectus shall not be submitted to SEBI, however, soft copy of Prospectus shall be submitted to SEBI pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. SEBI will not issue any observation on the Issue document in term of Regulation 246(2) of the SEBI ICDR Regulations.
- A copy of the Prospectus along with material contracts and documents referred elsewhere in the prospectus required to be filed under Section 26 of the Companies Act, 2013 shall be filed with the Registrar of Companies situated in RoC Bhavan, Opp. Rupal Park Society, Behind Ankur Bus-Stop, Naranpura, Ahmedabad – 380 013 and through the electronic portal at <http://www.mca.gov.in/>.

UNDERWRITERS

Our Company and Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten. The underwriting agreement is dated [●], 2023 and pursuant to the terms of the underwriting agreement, obligations of the underwriter are subject to certain conditions specified therein. The underwriter has indicated their intention to underwrite following number of specified securities being issued through this Issue.

| Name, Address, Telephone, Facsimile, and Email of the Underwriters | Indicated number of Equity Shares to be Underwritten | Amount Underwritten (in Lakh) | % of the total Issue size Underwritten |
|--|--|-------------------------------|--|
| [●] | [●]* | [●] | [●] |
| TOTAL | [●] | [●] | [●] |

*Includes [●] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their underwriting obligations in full.

CHANGE IN THE STATUTORY AUDITOR DURING LAST 3 YEARS

| Name & Address of the Auditor | Date of Appointment/ reappointment | Date of Resignation | Reason for resignation |
|--|------------------------------------|---------------------|---|
| HRM & CO., Chartered Accountant 310, New Dtc Building, Opp. Jai Jalaram Dairy, Ghee-Kanta Haripura Main Road, Mahidharpura, Surat – 395003, Gujarat, India. Tel No: 9574992360 E-mail Id: rmb.surat@gmail.com Contact Person: CA Rajeshkumar Bhungaliya Firm Registration No: 132644W Membership No: 140495 | September 10, 2018 | May 04, 2021 | Due to pre-occupation in other assignments. |
| V C A S & Co., Chartered Accountant 141, Kamal Park Soc.-2, Nr. Little Flower School, Hirabaug to Kalakunj Mandir Road, Kapodara, Surat – 395006, Gujarat, India Tel No: 022 2781 2246/48 E-mail Id: vcasandco@gmail.com Contact Person: CA Jagdish Vaishnav Firm Registration No: 123372W Membership No: 139060 Peer Review Number: 015194 | May 29, 2021 | NA | NA |
| V C A S & Co., Chartered Accountant | September 28, 2021 | NA | NA |

| | | | |
|--|--|--|--|
| 141, Kamal Park Soc.-2, Nr. Little Flower School, Hirabaug to Kalakunj Mandir Road, Kapodara, Surat – 395006, Gujarat, India Tel No: 022 2781 2246/48 E-mail Id: vcasandco@gmail.com Contact Person: CA Jagdish Vaishnav Firm Registration No: 123372W Membership No: 139060 Peer Review Number: 015194 | | | |
|--|--|--|--|

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the Lead Manager, reserves the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would offer a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the ASBA Accounts within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, the Issue is subject to obtaining the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Prospectus, which our Company will apply for only after Allotment.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh Draft Prospectus / Prospectus with the Stock Exchange where the Equity Shares may be proposed to be listed.

TYPE OF ISSUE

The present issue is considered to be 100% Fixed Price Issue.

DETAILS OF MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated [●], 2023 with the following Market Maker to fulfill the obligations of Market Making for this Issue:

| | |
|---------------------------------------|-----------|
| Name | [●] |
| Address | [●] |
| Tel no | 022 [●] |
| Fax no | 022 [●] |
| Email id | [●] |
| Website | [●] |
| Investor Grievance Id | [●] |
| Contact person | [●] |
| Sebi Registration no | [●] |
| Market Making Registration No. | [●] |

In accordance with Regulation 261 of the SEBI ICDR Regulations, we have entered into an agreement with the Lead Manager and the Market Maker (duly registered with NSE India to fulfil the obligations of Market Making) dated [●] to ensure compulsory Market Making for a minimum period of three years from the date of listing of equity shares issued in this Issued.

[●] registered with EMERGE Platform of NSE India will act as the market maker and have agreed to receive or deliver the specified securities in the market making process for a period of three (3) years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI (ICDR) Regulations.

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and as amended from time to time and the circulars issued by the NSE India and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the Stock Exchange. Further, the Market Maker shall inform the Stock Exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker.
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread requirements and other particulars as specified or as per the requirements of National Stock Exchange of India Limited and SEBI from time to time

3. The minimum depth of the quote shall be ₹ 1.00 Lakh. However, the investors with holdings of value less than 1.00 Lakh shall be allowed to Issue their holding to the Market Maker in that scrip provided that they sell their entire holding in that scrip in one lot along with a declaration to the effect to the selling broker. Based on the IPO price of ₹ [●] per share the minimum bid lot size is [●] Equity Shares thus minimum depth of the quote shall be ₹ [●] until the same, maybe revised by of National Stock Exchange of India Limited and SEBI from time to time.
4. After a period of three (3) months from the market making period, the market maker would be exempted to provide 2-way quote if the Shares of market maker in our Company reaches to upper limit. (Including the 5% of Equity Shares of the Issue.) Any Equity Shares allotted to Market Maker under this Issue over and above 25% equity shares would not be taken in to consideration of computing the threshold of 25%. As soon as the Shares of market maker in our Company reduce to lower Limit the market maker will resume providing 2-way quotes.
5. There shall be no exemption/threshold on downside. However, in the event the market maker exhausts his inventory through market making process, the concerned stock exchange may intimate the same to SEBI after due verification.
6. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker, for the quotes given by him.
7. There would not be more than five Market Maker for a script at any point of time. These would be selected on the basis of objective criteria to be evolved by the Exchange which would include capital adequacy, net worth, infrastructure, minimum volume of business etc. The Market Maker may compete with other Market Maker for better quotes to the investors. At this stage, [●] is acting as the sole Market Maker.
8. On the first day of the listing, there will be pre-opening session (call auction) and thereafter the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. The securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for 10 days from the date of listing of Equity share on the EMERGE Platform of the National Stock Exchange of India Limited.
9. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on EMERGE Platform of National Stock Exchange of India Limited and market maker will remain present as per the guidelines mentioned under National Stock Exchange of India Limited and SEBI circulars
10. Price Band and Spreads: SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be:
 - a) In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
 - b) In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time. The following spread will be applicable on the EMERGE Platform of National Stock Exchange of India Limited.

| Sr. No. | Market Price slab (in ₹) | Proposed spread (in % to sale price) |
|---------|--------------------------|--------------------------------------|
| 1. | Up to 50 | 9 |
| 2. | 50 to 75 | 8 |
| 3. | 75 to 100 | 6 |
| 4. | Above 100 | 5 |

11. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non- controllable reasons would be final.
12. The Market Maker shall have the right to terminate said arrangement by giving a one month notice or on mutually acceptable terms to the Lead Manager, who shall then be responsible to appoint a replacement Market Maker.
13. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the Lead Manager reserve the right to appoint other Market Maker either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Maker does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our Registered Office from 11.00 a.m. to 5.00 p.m. on working days.

14. Once registered as a Market Maker, he has to act in that capacity for a period as mutually decided between the Lead Manager and Market Maker. Once registered as a Market Maker, he has to start providing quotes from the day of the listing/the day when designated as the Market Maker for the respective scrip and shall be subject to the guidelines laid down for market making by the Stock Exchange.
15. Risk containment measures and monitoring for Market Makers: [●] will have all margins, which are applicable on the [●] Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. [●] can impose any other margins as deemed necessary from time-to- time.
16. Punitive Action in case of default by Market Makers: [●] will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (issuing two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities/ trading membership.
17. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
18. The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI/Stock Exchange from time to time.
19. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market maker(s) during market making process has been made applicable, based on the issue size and as follows:

| Issue Size | Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size) | Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size) |
|-------------------|--|---|
| Up to 20 Crore | 25% | 24% |
| 20 to 50 Crore | 20% | 19% |
| 50 to 80 Crore | 15% | 14% |
| Above 80 Crore | 12% | 11% |

All the above-mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and [●] from time to time.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Prospectus is set forth below:

(Amount ₹ in Lakhs except share data)

| Sr. No. | Particulars | Aggregate Nominal Value | Aggregate value at Issue Price |
|-----------|---|-------------------------|--------------------------------|
| A. | AUTHORISED EQUITY SHARE CAPITAL | | |
| | 2,50,00,000 Equity Shares of face value of ₹ 10.00/- each | 2,500.00 | - |
| B. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE | | |
| | 1,81,80,650 Equity Shares of face value of ₹ 10.00/- each | 1,818.07 | - |
| C. | PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS * | | |
| | Up to 67,25,000 Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●]/- per share | 672.50 | [●] |
| | Which comprises: | | |
| | Market Maker Reservation portion: [●] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●]/- reserved for allocation to Market Maker | [●] | [●] |
| | Net Issue to the Public: [●] Equity Shares of ₹ 10.00/- each for cash at price of ₹ [●]/- per share | [●] | [●] |
| | Of which: ** | | |
| | Allocation to Retail Individual Investor: Up to [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation to Retail Individual Investors | [●] | [●] |
| | Allocation to Other than Retail Individual Investors: Up to [●] Equity Shares of face value of ₹ 10.00/- each fully paid up for a cash price of ₹ [●]/- per Equity Share i.e., 50% of the Net Issue shall be available for allocation to other than Retail Individual Investors | [●] | [●] |
| D. | ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE | | |
| | [●] Equity Shares of face value of ₹ 10.00 each | | [●] |
| E. | SECURITIES PREMIUM ACCOUNT | | |
| | Before the Issue as on the date of this Draft Prospectus *** | | 27.28 |
| | After the Issue | | [●] |

*To be included upon finalization of the Issue price.

The present Issue has been authorized pursuant to a resolution of our Board of Directors dated June 10, 2023 and by Special Resolution passed under Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of the members held on July 07, 2023.

**Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spillover from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines

***As certified the statutory auditor M/s. V C A S & Co., Chartered Accountant vide their certificate dated August 14, 2023.

Class of Shares

Our Company has only one class of share capital i.e., Equity Shares of ₹ 10.00/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

NOTES TO THE CAPITAL STRUCTURE

1. Changes in Authorized Equity Share Capital of our Company:

Details of changes in Authorized Share Capital of the Company since incorporation:

| Particulars of change | Date of shareholders' Resolution | AGM/EOGM |
|--|----------------------------------|----------|
| The Authorized Share Capital of our Company is Rs. 1,00,000/- consisting of 10,000 Equity Shares of face value of ₹ 10.00/- each | On Incorporation | NA |
| The Authorized Share Capital of our Company was increased from ₹ 1,00,000/- consisting of 10,000 Equity Shares of face value of ₹ 10.00/- each to ₹ 2,10,00,000/- consisting of 21,00,000 Equity Shares of face value of ₹ 10.00/- each. | August 08, 2017 | EOGM |
| The Authorized Share Capital of our Company was increased from ₹ 2,10,00,000/- consisting of 21,00,000 Equity Shares of face value of ₹ 10.00/- each to ₹ 3,60,00,000/- consisting of 36,00,000 Equity Shares of face value of ₹ 10.00/- each. | August 06, 2018 | EOGM |
| The Authorized Share Capital of our Company was increased from ₹ 3,60,00,000/- consisting of 36,00,000 Equity Shares of face value of ₹ 10.00/- each to ₹ 10,00,00,000/- consisting of 1,00,00,000 Equity Shares of face value of ₹ 10.00/- each. | December 17, 2022 | EOGM |
| The Authorized Share Capital of our Company was increased from ₹ 10,00,00,000/- consisting of 1,00,00,000 Equity Shares of face value of ₹ 10.00/- each to ₹ 25,00,00,000/- consisting of 2,50,00,000 Equity Shares of face value of ₹ 10.00/- each. | May 27, 2023 | EOGM |

2. History of Issued and Paid-Up Share Capital of our Company

a. The following is the history of the Equity Share Capital of our Company:

| Date of Allotment/ Issue | Number of Equity Shares allotted | Face value (in ₹) | Issue Price (in ₹) | Nature of Consideration | Nature of allotment | Cumulative no. of Equity Shares | Cumulative Paid-up Capital (in ₹) |
|--------------------------|----------------------------------|-------------------|--------------------|-------------------------|--|---------------------------------|-----------------------------------|
| On Incorporation | 10,000 | 10.00 | 10.00 | Cash | Subscription to MOA ⁽ⁱ⁾ | 10,000 | 1,00,000 |
| September 04, 2017 | 20,90,000 | 10.00 | 10.00 | Cash | Private Placement ⁽ⁱⁱ⁾ | 21,00,000 | 2,10,00,000 |
| August 27, 2018 | 6,60,000 | 10.00 | 10.00 | Cash | Rights Issue ⁽ⁱⁱⁱ⁾ | 27,60,000 | 2,76,00,000 |
| April 03, 2019 | 5,00,000 | 10.00 | 10.00 | Cash | Rights Issue ^(iv) | 32,60,000 | 3,26,00,000 |
| February 20, 2023 | 225,282 | 10.00 | 195.00 | Other than Cash | Conversion of Loan into Equity Shares ^(v) | 34,85,282 | 3,48,52,820 |
| March 17, 2023 | 43,56,628 | 10.00 | NA | Other than Cash | Bonus Issue ^(vi) | 78,41,910 | 7,84,19,100 |
| March 30, 2023 | 12,48,415 | 10.00 | 85.00 | Other than Cash | Conversion of Loan into Equity Shares ^(vii) | 90,90,325 | 9,09,03,250 |
| June 05, 2023 | 90,90,325 | 10.00 | NA | Other than Cash | Bonus Issue ^(viii) | 18,180,650 | 18,18,06,500 |

i. Initial Subscribers to the MOA subscribed to 10,000 Equity Shares of face value of ₹ 10.00/- each as per the details given below:

| Sr.No. | Name | No. of Equity Shares |
|--------------|-------------------|----------------------|
| 1. | Manish Patel | 3,333 |
| 2. | Piyush Patel | 3,333 |
| 3. | Mansukhbhai Patel | 3,334 |
| Total | | 10,000 |

ii. Further Issue through Private Placement as on September 04, 2017 of 20,90,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------------------------|----------------------|
| 1. | Manish Patel | 1,26,667 |
| 2. | Piyush Patel | 1,36,667 |
| 3. | Mansukhbhai Patel | 2,16,666 |
| 4. | Mansukhbhai Kunvarjibhai Patel - Huf | 2,00,000 |
| 5. | Jayaben Patel | 1,90,000 |
| 6. | Manishbhai Mansukhbhai Patel - Huf | 1,10,000 |
| 7. | Hinaben Patel | 1,66,000 |
| 8. | Rupalben Patel | 48,500 |
| 9. | Rekhaben Lathia | 1,90,000 |
| 10. | Silpaben Vaghani | 1,47,000 |
| 11. | Sweta Parmar | 1,00,000 |
| 12. | Rashminbhai Vaghasiya | 1,70,000 |
| 13. | Krunal Vaghasiya | 2,10,000 |
| 14. | Jayesh Patel | 78,500 |
| Total | | 20,90,000 |

- iii. Further Right Issue as on August 27, 2018 of 6,60,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|--------------|------------------------------------|----------------------|
| 1. | Manish Patel | 1,60,000 |
| 2. | Piyush Patel | 1,50,000 |
| 3. | Mansukhbhai Patel | 96,700 |
| 4. | Jayaben Patel | 1,00,000 |
| 5. | Manishbhai Mansukhbhai Patel – HUF | 40,000 |
| 6. | Hinaben Patel | 70,000 |
| 7. | Rupalben Patel | 43,300 |
| Total | | 6,60,000 |

- iv. Further Right Issue as on April 03, 2019 of 5,00,000 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|--------------|------------------------|----------------------|
| 1. | Piyush Patel | 3,30,000 |
| 2. | Mansukhbhai Patel | 90,000 |
| 3. | Manishbhai Patel – HUF | 65,000 |
| 4. | Hinaben Patel | 15,000 |
| Total | | 5,00,000 |

- v. Conversion of Loan into Equity Shares as on February 20, 2023 of 225,282 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|--------------|--------------------------------------|----------------------|
| 1. | Manish Patel | 34,872 |
| 2. | Piyush Patel | 24,308 |
| 3. | Mansukhbhai Patel | 23,974 |
| 4. | Mansukhbhai Kunvarjibhai Patel – HUF | 11,744 |
| 5. | Jayaben Patel | 24,872 |
| 6. | Manishbhai Mansukhbhai Patel – HUF | 22,564 |
| 7. | Hinaben Patel | 24,615 |
| 8. | Rupalben Patel | 25,128 |
| 9. | Piyush Patel – HUF | 33,205 |
| Total | | 225,282 |

- vi. Bonus Issue as on March 17, 2023 of 43,56,628 Equity Shares in the ratio of 5 (Five) Equity Shares for every 4 (Four) Equity Share held of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|---------|--------------|----------------------|
| 1. | Manish Patel | 5,31,090 |
| 2. | Piyush Patel | 8,05,385 |

| | | |
|--------------|--------------------------------------|------------------|
| 3. | Mansukhbhai Patel | 5,38,343 |
| 4. | Mansukhbhai Kunvarjibhai Patel - HUF | 2,64,680 |
| 5. | Jayaben Patel | 3,93,590 |
| 6. | Manishbhai Mansukhbhai Patel – HUF | 7,71,943 |
| 7. | Hinaben Patel | 5,07,019 |
| 8. | Rupalben Patel | 2,20,560 |
| 9. | Rashminbhai Vaghasiya | 13 |
| 10. | Jayesh Patel | 98,125 |
| 11. | Piyush Mansukhbhai Patel - HUF | 2,25,269 |
| 12. | Ramani Rakesh | 13 |
| 13. | Parmar Yogesh | 13 |
| 14. | Vadadoriya Rupalben | 13 |
| 15. | Shree Associates | 13 |
| 16. | Utsav Enterprise | 13 |
| 17. | Asodariya Monikaben | 13 |
| 18. | Pansuriya Kiran | 13 |
| 19. | Disha Joshi | 13 |
| 20. | Valani Jagdish | 13 |
| 21. | Hiteshkumar Prajapati | 13 |
| 22. | Baldha Alpita | 13 |
| 23. | Savsaviya Manjuben | 13 |
| 24. | Lakhani Jignesh Jasmatbhai (Huf) | 13 |
| 25. | Dhaduk Hareshbhai | 13 |
| 26. | Gabani Hetalben | 13 |
| 27. | Malani Hiral | 13 |
| 28. | Dhola Payalben | 13 |
| 29. | Miyani Viralben | 13 |
| 30. | Sonani Sanjaybhai | 13 |
| 31. | Lathiya Rekhaben | 13 |
| 32. | Jagdish Babulal Valani Huf | 13 |
| 33. | Chandubhai Miyani | 13 |
| 34. | Kakadiya Pareshbhai | 13 |
| 35. | Kakdiya Shilpaben | 13 |
| 36. | Patel Devangbhai | 13 |
| 37. | Gabani Asmitaben | 13 |
| 38. | Baldha Ajaykumar | 13 |
| 39. | Rangani Aashikaben | 13 |
| 40. | Mehulkumar Chanchad | 13 |
| 41. | Tarsariya Sunilbhai | 13 |
| 42. | Vaghani Nareshbhai | 13 |
| 43. | Sonani Kinjalben | 13 |
| 44. | Vekariya Sumitra | 13 |
| 45. | Vilasben Dhola | 13 |
| 46. | Patel Maheshbhai | 13 |
| 47. | Sejalben Savaliya | 13 |
| 48. | Rangani Sandeep | 13 |
| 49. | Milankumar Govindbhai Sojitra Huf | 13 |
| 50. | Sojitra Milankumar | 13 |
| 51. | Kakadiya Sanjaykumar | 13 |
| 52. | Jigneshkumar Italiya | 13 |
| 53. | Jivani Shital | 13 |
| 54. | Rajeshbhai Savani | 13 |
| 55. | Vastapara Gitaben | 13 |
| 56. | Vastapara Manisha | 13 |
| 57. | Vastapara Yogitaben | 13 |
| 58. | Bhojani Kalpeshbhai | 13 |
| Total | | 4,356,628 |

vii. Conversion of Loan into Equity Shares as on March 30, 2023 of 12,48,415 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|---------|-----------------------------------|----------------------|
| 1. | Rashminbhai Vaghasiya | 70,588 |
| 2. | Ramani Rakesh | 35,731 |
| 3. | Parmar Yogesh | 7,457 |
| 4. | Vadadoriya Rupalben | 5,882 |
| 5. | Shree Associates | 11,765 |
| 6. | Utsav Enterprise | 21,252 |
| 7. | Asodariya Monikaben | 8,399 |
| 8. | Pansuriya Kiran | 38,467 |
| 9. | Disha Joshi | 6,867 |
| 10. | Valani Jagdish | 1,17,647 |
| 11. | Hiteshkumar Prajapati | 12,941 |
| 12. | Baldha Alpita | 13,554 |
| 13. | Savsaviya Manjuben | 6,756 |
| 14. | Lakhani Jignesh Jasmatbhai (Huf) | 63,494 |
| 15. | Dhaduk Hareshbhai | 16,387 |
| 16. | Gabani Hetalben | 5,882 |
| 17. | Malani Hiral | 7,700 |
| 18. | Dhola Payalben | 10,588 |
| 19. | Miyani Viralben | 40,000 |
| 20. | Sonani Sanjaybhai | 29,412 |
| 21. | Lathiya Rekhaben | 60,000 |
| 22. | Jagdish Babulal Valani Huf | 88,235 |
| 23. | Chandubhai Miyani | 1,00,000 |
| 24. | Kakadiya Pareshbhai | 35,294 |
| 25. | Kakdiya Shilpaben | 11,765 |
| 26. | Patel Devangbhai | 25,882 |
| 27. | Gabani Asmitaben | 5,882 |
| 28. | Baldha Ajaykumar | 17,647 |
| 29. | Rangani Aashikaben | 11,765 |
| 30. | Mehulkumar Chanchad | 58,824 |
| 31. | Tarsariya Sunilbhai | 2,353 |
| 32. | Vaghani Nareshbhai | 29,412 |
| 33. | Sonani Kinjalben | 8,235 |
| 34. | Vekariya Sumitra | 5,882 |
| 35. | Vilasben Dhola | 2,353 |
| 36. | Patel Maheshbhai | 11,765 |
| 37. | Sejalben Savaliya | 5,882 |
| 38. | Rangani Sandeep | 17,647 |
| 39. | Milankumar Govindbhai Sojitra Huf | 29,412 |
| 40. | Sojitra Milankumar | 58,824 |
| 41. | Kakadiya Sanjaykumar | 11,765 |
| 42. | Jigneshkumar Italiya | 11,765 |
| 43. | Jivani Shital | 3,529 |
| 44. | Rajeshbhai Savani | 29,412 |
| 45. | Vastapara Gitaben | 23,529 |
| 46. | Vastapara Manisha | 23,529 |
| 47. | Vastapara Yogitaben | 23,529 |
| 48. | Bhojani Kalpeshbhai | 3,529 |
| Total | | 1,248,415 |

viii. Bonus Issue as on June 05, 2023 of 90,90,325 Equity Shares in the ratio of 1 (Five) Equity Shares for every 1 (One) Equity Share held of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Sr. No. | Name | No. of Equity Shares |
|---------|--------------|----------------------|
| 1. | Manish Patel | 9,55,962 |

| | | |
|-----|--------------------------------------|-----------|
| 2. | Piyush Patel | 14,49,693 |
| 3. | Mansukhbhai Patel | 9,69,017 |
| 4. | Mansukhbhai Kunvarjibhai Patel - HUF | 4,76,424 |
| 5. | Jayaben Patel | 7,08,462 |
| 6. | Manishbhai Mansukhbhai Patel – HUF | 13,89,497 |
| 7. | Hinaben Patel | 9,12,634 |
| 8. | Rupalben Patel | 3,97,008 |
| 9. | Rashminbhai Vaghasiya | 70,611 |
| 10. | Jayesh Patel | 1,76,625 |
| 11. | Piyush Mansukhbhai Patel - HUF | 4,05,484 |
| 12. | Ramani Rakesh | 35,754 |
| 13. | Parmar Yogesh | 7,480 |
| 14. | Vadadoriya Rupalben | 5,905 |
| 15. | Shree Associates | 11,788 |
| 16. | Utsav Enterprise | 21,275 |
| 17. | Asodariya Monikaben | 8,422 |
| 18. | Pansuriya Kiran | 38,490 |
| 19. | Disha Joshi | 6,890 |
| 20. | Valani Jagdish | 1,17,670 |
| 21. | Hiteshkumar Prajapati | 12,964 |
| 22. | Baldha Alpita | 13,577 |
| 23. | Savsaviya Manjuben | 6,779 |
| 24. | Lakhani Jignesh Jasmatbhai (Huf) | 63,517 |
| 25. | Dhaduk Hareshbhai | 16,410 |
| 26. | Gabani Hetalben | 5,905 |
| 27. | Malani Hiral | 7,723 |
| 28. | Dhola Payalben | 10,611 |
| 29. | Miyani Viralben | 40,023 |
| 30. | Sonani Sanjaybhai | 29,435 |
| 31. | Lathiya Rekhaben | 60,023 |
| 32. | Jagdish Babulal Valani Huf | 88,258 |
| 33. | Chandubhai Miyani | 1,00,023 |
| 34. | Kakadiya Pareshbhai | 35,317 |
| 35. | Shilpaben Kakdiya | 11,788 |
| 36. | Devangbhai Rasiklalpatel | 25,905 |
| 37. | Gabani Asmitaben | 5,905 |
| 38. | Baldha Ajaykumar | 17,670 |
| 39. | Rangani Aashikaben | 11,788 |
| 40. | Mehulkumar Bhanubhai Chanchad | 58,847 |

| | | |
|--------------|-----------------------------------|------------------|
| 41. | Sunilbhai Pravinbhai Tarsariya | 2,376 |
| 42. | Nareshbhai Vaghani | 29,435 |
| 43. | Kinjalben Sonani | 8,258 |
| 44. | Sumitra Vekariya | 5,905 |
| 45. | Vilasben Dhola | 2,376 |
| 46. | Mahesh Patel | 11,788 |
| 47. | Sejalben Savaliya | 5,905 |
| 48. | Rangani Sandeep | 17,670 |
| 49. | Milankumar Govindbhai Sojitra Huf | 29,435 |
| 50. | Milankumar Sojitra | 58,847 |
| 51. | Sanjaykumar Kakadia | 11,788 |
| 52. | Jigneshkumar Italiya | 11,788 |
| 53. | Shital Jivani | 3,552 |
| 54. | Rajeshbhai Savani | 29,435 |
| 55. | Vastarpara Gitaben | 23,552 |
| 56. | Vastarpara Manishaben | 23,552 |
| 57. | Vastapara Yogitaben | 23,552 |
| 58. | Kalpeshkumar Bhojani | 3,552 |
| Total | | 90,90,325 |

3. Issue of Equity Shares for Consideration other than Cash.

Except as stated below, Our Company has not issued any Equity Shares for consideration other than cash. Further, certain benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash.

- i. *Conversion of Loan into Equity Shares as on February 20, 2023 of 225,282 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:*

| Date of Issue/ Allotment | No. of Equity shares Allotted | Face Value (₹) | Issue Price (₹) | Reason for Allotment | Name of Allottees | No. of Shares Allotted | Benefits Accrued |
|--------------------------|-------------------------------|----------------|-----------------|---------------------------------------|--------------------------------------|------------------------|---------------------------------------|
| February 20, 2023 | 225,282 | 10.00 | 195.00 | Conversion of Loan into Equity Shares | Manish Patel | 34,872 | Capitalization of Reserves & Surplus. |
| | | | | | Piyush Patel | 24,308 | |
| | | | | | Mansukhbhai Patel | 23,974 | |
| | | | | | Mansukhbhai Kunvarjibhai Patel – HUF | 11,744 | |
| | | | | | Jayaben Patel | 24,872 | |
| | | | | | Manishbhai Mansukhbhai Patel – HUF | 22,564 | |
| | | | | | Hinaben Patel | 24,615 | |
| | | | | | Rupalben Patel | 25,128 | |
| | | | | | Piyush Mansukhbhai Patel – HUF | 33,205 | |

- ii. *Bonus Issue as on March 17, 2023 of 43,56,628 Equity Shares in the ratio of 5 (Five) Equity Shares for every 4 (Four) Equity Share held of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:*

| Date of Issue/ Allotment | No. of Equity shares Allotted | Face Value (₹) | Issue Price (₹) | Reason for Allotment | Name of Allottees | No. of Shares Allotted | Benefits Accrued |
|--------------------------|-------------------------------|----------------|-----------------|----------------------|-------------------|------------------------|------------------|
| | 43,56,628 | 10.00 | NA | Bonus Issue | Manish Patel | 5,31,090 | Capitalization |

| | | | | | | | |
|-------------------|--|--|--|--------------------------------------|--|----------|------------------------------|
| March 17, 2023 | | | | | Piyush Patel | 8,05,385 | of Reserves & Surplus. |
| | | | | | Mansukhbhai Patel | 5,38,343 | |
| | | | | | Mansukhbhai Kunvarjibhai Patel - HUF | 2,64,680 | |
| | | | | | Jayaben Patel | 3,93,590 | |
| | | | | | Manishbhai Mansukhbhai Patel – HUF | 7,71,943 | |
| | | | | | Hinaben Patel | 5,07,019 | |
| | | | | | Rupalben Patel | 2,20,560 | |
| | | | | | Rashminbhai Vaghasiya | 13 | |
| | | | | | Jayesh Patel | 98,125 | |
| | | | | | Piyush Mansukhbhai Patel - HUF | 2,25,269 | |
| | | | | | Ramani Rakesh | 13 | |
| | | | | | Parmar Yogesh | 13 | |
| | | | | | Vadadoriya Rupalben | 13 | |
| | | | | | Shree Associates | 13 | |
| | | | | | Utsav Enterprise | 13 | |
| | | | | | Asodariya Monikaben | 13 | |
| | | | | | Pansuriya Kiran | 13 | |
| | | | | | Disha Joshi | 13 | |
| | | | | | Valani Jagdish | 13 | |
| | | | | | Hiteshkumar Prajapati | 13 | |
| | | | | | Baldha Alpita | 13 | |
| | | | | | Savsaviya Manjuben | 13 | |
| | | | | | Lakhani Jignesh Jasmatbhai (Huf) | 13 | |
| | | | | | Dhaduk Hareshbhai | 13 | |
| | | | | | Gabani Hetalben | 13 | |
| | | | | | Malani Hiral | 13 | |
| | | | | | Dhola Payalben | 13 | |
| | | | | | Miyani Viralben Chandubhai | 13 | |
| | | | | | Sonani Sanjaybhai | 13 | |
| | | | | | Lathiya Rekhaben | 13 | |
| | | | | | Jagdish Babulal Valani Huf | 13 | |
| | | | | | Chandubhai Miyani | 13 | |
| | | | | | Kakadiya Pareshbhai | 13 | |
| | | | | | Kakdiya Shilpaben | 13 | |
| | | | | | Patel Devangbhai | 13 | |
| | | | | | Gabani Asmitaben | 13 | |
| | | | | | Baldha Ajaykumar | 13 | |
| | | | | | Rangani Aashikaben | 13 | |
| | | | | | Mehulkumar Chanchad | 13 | |
| | | | | | Tarsariya Sunilbhai | 13 | |
| | | | | | Vaghani Nareshbhai | 13 | |
| | | | | Sonani Kinjalben | 13 | | |
| | | | | Vekariya Sumitra | 13 | | |
| | | | | Vilasben Dhola | 13 | | |
| | | | | Patel Maheshbhai | 13 | | |
| | | | | Sejalben Savaliya | 13 | | |
| | | | | Rangani Sandeep | 13 | | |
| | | | | Milankumar Govindbhai Sojitra Huf | 13 | | |
| | | | | Sojitra Milankumar | 13 | | |
| | | | | Kakadiya Sanjaykumar | 13 | | |

| | | | | | | |
|--|--|--|--|----------------------|----|--|
| | | | | Jigneshkumar Italiya | 13 | |
| | | | | Jivani Shital | 13 | |
| | | | | Rajeshbhai Savani | 13 | |
| | | | | Vastapara Gitaben | 13 | |
| | | | | Vastapara Manisha | 13 | |
| | | | | Vastapara Yogitaben | 13 | |
| | | | | Bhojani Kalpeshbhai | 13 | |

iii) Conversion of Loan into Equity Shares as on March 30, 2023 of 12,48,415 Equity Shares of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Date of Issue/ Allotment | No. of Equity shares Allotted | Face Value (₹) | Issue Price (₹) | Reason for Allotment | Name of Allottees | No. of Shares Allotted | Benefits Accrued |
|--------------------------|-------------------------------|----------------|-----------------|---------------------------------------|----------------------------------|------------------------|---------------------------------------|
| March 30, 2023 | 12,48,415 | 10.00 | 85.00 | Conversion of Loan into Equity Shares | Rashminbhai Vaghasiya | 70,588 | Capitalization of Reserves & Surplus. |
| | | | | | Ramani Rakesh | 35,731 | |
| | | | | | Parmar Yogesh | 7,457 | |
| | | | | | Vadadoriya Rupalben | 5,882 | |
| | | | | | Shree Associates | 11,765 | |
| | | | | | Utsav Enterprise | 21,252 | |
| | | | | | Asodariya Monikaben | 8,399 | |
| | | | | | Pansuriya Kiran | 38,467 | |
| | | | | | Disha Joshi | 6,867 | |
| | | | | | Valani Jagdish | 1,17,647 | |
| | | | | | Hiteshkumar Prajapati | 12,941 | |
| | | | | | Baldha Alpita | 13,554 | |
| | | | | | Savsaviya Manjuben | 6,756 | |
| | | | | | Lakhani Jignesh Jasmatbhai (Huf) | 63,494 | |
| | | | | | Dhaduk Hareshbhai | 16,387 | |
| | | | | | Gabani Hetalben | 5,882 | |
| | | | | | Malani Hiral | 7,700 | |
| | | | | | Dhola Payalben Mitulbhai | 10,588 | |
| | | | | | Miyani Viralben | 40,000 | |
| | | | | | Sonani Sanjaybhai | 29,412 | |
| | | | | | Lathiya Rekhaben | 60,000 | |
| | | | | | Jagdish Babulal Valani Huf | 88,235 | |
| | | | | | Chandubhai Miyani | 1,00,000 | |
| | | | | | Kakadiya Pareshbhai | 35,294 | |
| | | | | | Kakdiya Shilpaben | 11,765 | |
| | | | | | Patel Devangbhai | 25,882 | |
| | | | | | Gabani Asmitaben | 5,882 | |
| | | | | | Baldha Ajaykumar | 17,647 | |
| | | | | | Rangani Aashikaben | 11,765 | |
| | | | | | Mehulkumar Chanchad | 58,824 | |
| | | | | | Tarsariya Sunilbhai | 2,353 | |
| | | | | | Vaghani Nareshbhai | 29,412 | |
| | | | | | Sonani Kinjalben | 8,235 | |
| Vekariya Sumitra | 5,882 | | | | | | |
| Vilasben Dhola | 2,353 | | | | | | |
| Patel Maheshbhai | 11,765 | | | | | | |
| Sejalben Savaliya | 5,882 | | | | | | |
| Rangani Sandeep | 17,647 | | | | | | |

| | | | | | | | |
|--|--|--|--|--|-----------------------------------|--------|--|
| | | | | | Milankumar Govindbhai Sojitra Huf | 29,412 | |
| | | | | | Sojitra Milankumar | 58,824 | |
| | | | | | Kakadiya Sanjaykumar | 11,765 | |
| | | | | | Jigneshkumar Italiya | 11,765 | |
| | | | | | Jivani Shital | 3,529 | |
| | | | | | Rajeshbhai Savani | 29,412 | |
| | | | | | Vastapara Gitaben | 23,529 | |
| | | | | | Vastapara Manisha | 23,529 | |
| | | | | | Vastapara Yogitaben | 23,529 | |
| | | | | | Bhojani Kalpeshbhai | 3,529 | |

iv) Bonus Issue as on June 05, 2023 of 90,90,325 Equity Shares in the ratio of 1 (One) Equity Share for every 1 (One) Equity Share held of face value of ₹ 10.00/- each fully paid-up shares, the details are given below:

| Date of Issue/ Allotment | No. of Equity shares Allotted | Face Value (₹) | Issue Price (₹) | Reason for Allotment | Name of Allottees | No. of Shares Allotted | Benefits Accrued |
|--------------------------|-------------------------------|----------------|-----------------|----------------------|--------------------------------------|------------------------|---------------------------------------|
| June 05, 2023 | 90,90,325 | 10.00 | NA | Bonus Issue | Manish Patel | 9,55,962 | Capitalization of Reserves & Surplus. |
| | | | | | Piyush Patel | 14,49,693 | |
| | | | | | Mansukhbhai Patel | 9,69,017 | |
| | | | | | Mansukhbhai Kunvarjibhai Patel - HUF | 4,76,424 | |
| | | | | | Jayaben Patel | 7,08,462 | |
| | | | | | Manishbhai Mansukhbhai Patel – HUF | 13,89,497 | |
| | | | | | Hinaben Patel | 9,12,634 | |
| | | | | | Rupalben Patel | 3,97,008 | |
| | | | | | Rashminbhai Vaghasiya | 70,611 | |
| | | | | | Jayesh Patel | 1,76,625 | |
| | | | | | Piyush Mansukhbhai Patel - HUF | 4,05,484 | |
| | | | | | Ramani Rakesh | 35,754 | |
| | | | | | Parmar Yogesh | 7,480 | |
| | | | | | Vadadoriya Rupalben | 5,905 | |
| | | | | | Shree Associates | 11,788 | |
| | | | | | Utsav Enterprise | 21,275 | |
| | | | | | Asodariya Monikaben | 8,422 | |
| | | | | | Pansuriya Kiran | 38,490 | |
| | | | | | Disha Joshi | 6,890 | |
| | | | | | Valani Jagdish | 1,17,670 | |
| | | | | | Hiteshkumar Prajapati | 12,964 | |
| | | | | | Baldha Alpita | 13,577 | |
| | | | | | Savsaviya Manjuben | 6,779 | |
| | | | | | Lakhani Jignesh Jasmatbhai (Huf) | 63,517 | |
| | | | | | Dhaduk Hareshbhai | 16,410 | |
| | | | | | Gabani Hetalben | 5,905 | |
| | | | | | Malani Hiral | 7,723 | |
| Dhola Payalben | 10,611 | | | | | | |
| Miyani Viralben | 40,023 | | | | | | |
| Sonani Sanjaybhai | 29,435 | | | | | | |

| | | | | | | |
|--|--|--|--|---|----------|--|
| | | | | Lathiya Rekhaben | 60,023 | |
| | | | | Jagdish Babulal Valani Huf | 88,258 | |
| | | | | Chandubhai Miyani | 1,00,023 | |
| | | | | Kakadiya Pareshbhai | 35,317 | |
| | | | | Shilpaben Kakdiya | 11,788 | |
| | | | | Devangbhai Rasiklalpatel | 25,905 | |
| | | | | Gabani Asmitaben | 5,905 | |
| | | | | Baldha Ajaykumar | 17,670 | |
| | | | | Rangani Aashikaben | 11,788 | |
| | | | | Mehulkumar Bhanubhai Chanchad | 58,847 | |
| | | | | Sunilbhai Pravinbhai Tarsariya | 2,376 | |
| | | | | Nareshbhai Vaghani | 29,435 | |
| | | | | Kinjalben Sonani | 8,258 | |
| | | | | Sumitra Vekariya | 5,905 | |
| | | | | Vilasben Dhola | 2,376 | |
| | | | | Mahesh Patel | 11,788 | |
| | | | | Sejalben Savaliya | 5,905 | |
| | | | | Rangani Sandeep | 17,670 | |
| | | | | Milankumar Govindbhai Sojitra Huf | 29,435 | |
| | | | | Milankumar Sojitra | 58,847 | |
| | | | | Sanjaykumar Kakadia | 11,788 | |
| | | | | Jigneshkumar Italiya | 11,788 | |
| | | | | Shital Jivani | 3,552 | |
| | | | | Rajeshbhai Savani | 29,435 | |
| | | | | Vastarpara Gitaben | 23,552 | |
| | | | | Vastarpara Manishaben | 23,552 | |
| | | | | Vastapara Yogitaben | 23,552 | |
| | | | | Kalpeshkumar Bhojani | 3,552 | |

4. Issue of specified securities at a price lower than the Issue Price in the last year

Except the Bonus Issue of 43,56,628 and 90,90,325 Equity Shares on March 17, 2023 and June 05, 2023, respectively, our Company has not issued any Equity Shares at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Prospectus.

5. Our Company does not have any Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
6. As on the date of this Draft Prospectus, our Company does not have any preference share capital.
7. **Shareholding Pattern of our Company and the Equity Shares held by them is as follow:**

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of this Draft Prospectus.

The table below represents the current Shareholding pattern of our Company as on the date of this Draft Prospectus:

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No of fully paid-up equity shares held (IV) | No of partly paid-up equity shares held (V) | No. of shares underlying Depository Receipts (VI) | Total No of Shares held (VII = IV + V + VI) | Shareholding as a % of total No. of Shares (calculated as per SCRR, 1957 (As a % of (A + B + C2) (VIII)) | Number of Voting Rights held in each Class of securities (IX) | | No of underlying outstanding convertible securities (incl. Warrants) (X) | Shareholding as a % assuming full convertible securities (as a % of diluted share capital (As a % of (A + B + C2) (XI = VII + X)) | Number of Locked in shares (XII) | | No. of shares Pledged or Otherwise Encumbered (XIII) | | No. of Equity shares held in Demat Form (XIV) |
|--------------|--------------------------------|---------------------------|---|---|---|---|--|---|-----------------------|--|---|----------------------------------|---------------------------------|--|---------------------------------|---|
| | | | | | | | | No of voting Right | Total as % of (A+B+C) | | | No (a) | As a % of total shares held (b) | No (a) | As a % of total shares held (b) | |
| A | Promoters and Promoters Group | 11 | 15,551,984 | -- | -- | 15,551,984 | 85.54 | 15,551,984 | 85.54 | -- | -- | -- | -- | -- | -- | 15,551,984 |
| B | Public | 47 | 2,628,666 | -- | -- | 2,628,666 | 14.46 | 2,628,666 | 14.46 | -- | -- | -- | -- | -- | -- | 2,628,466 |
| C | Non-Promoters Non-Public | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| C1 | Shares Underlying DRs | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| C2 | Shares held by Employee Trusts | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| | Total (A+B+C) | 58 | 1,81,80,650 | -- | -- | 1,81,80,650 | 100.00 | 1,81,80,650 | 100.00 | -- | -- | -- | -- | -- | -- | 1,81,80,450 |

Note:

- As on the date of this Draft Prospectus 1 Equity Share holds 1 vote
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Shares on the Stock Exchange.
- Our Company will file shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE EMERGE platform before commencement of trading of such equity shares.

8. The share holding pattern of our Promoters and Promoters Group before and after the Issue is set forth below:

| Particulars | Pre-Issue | | Post-Issue * | |
|--------------------------------------|-------------------|------------------------|------------------|------------------------|
| | Number of Shares | Percentage (%) holding | Number of Shares | Percentage (%) holding |
| Promoter (A) | | | | |
| Manish Patel | 1,911,924 | 10.52% | [●] | [●] |
| Piyush Patel | 2,899,386 | 15.95% | [●] | [●] |
| Mansukhbhai Patel | 1,938,034 | 10.66% | [●] | [●] |
| Total (A) | 6,749,344 | 37.13% | [●] | [●] |
| Promoter Group (B) | | | | |
| Mansukhbhai Kunvarjibhai Patel - HUF | 952,848 | 5.24 | [●] | [●] |
| Jayaben Patel | 1,416,924 | 7.79 | [●] | [●] |
| Manishbhai Mansukhbhai Patel - HUF | 2,778,994 | 15.29 | [●] | [●] |
| Hinaben Patel | 1,825,268 | 10.04 | [●] | [●] |
| Rupalben Patel | 794,016 | 4.37 | [●] | [●] |
| Piyush Mansukhbhai Patel - HUF | 810,968 | 4.46 | [●] | [●] |
| Chandubhai Miyani | 200,046 | 1.10 | [●] | [●] |
| Kakdiya Shilpaben | 23,576 | 0.13 | [●] | [●] |
| Total (B) | 8,802,640 | 48.42 | [●] | [●] |
| Total (A+B) | 15,551,984 | 85.55 | [●] | [●] |

*Subject to finalization of Basis of Allotment

9. Except as mentioned below, none of our Key Management Personnel hold Equity Shares in our Company as on the date of filing of this Draft Prospectus except:

| Particulars | Number of Shares | Percentage (%) Holding |
|-------------------|------------------|------------------------|
| Manish Patel | 1,911,924 | 10.52 |
| Piyush Patel | 2,899,386 | 15.95 |
| Mansukhbhai Patel | 1,938,034 | 10.66 |
| Total | 6,749,344 | 37.13 |

10. The list of shareholders holding 1% or more of the paid-up capital of our Company is as under:

Particulars of the shareholders holding 1% or more of the paid-up capital of our Company as on the date of this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) Holding |
|--------------------------------------|--------------------|------------------------|
| Manish Patel | 1,911,924 | 10.52 |
| Piyush Patel | 2,899,386 | 15.95 |
| Manishbhai Mansukhbhai Patel - HUF | 2,778,994 | 15.29 |
| Mansukhbhai Patel | 1,938,034 | 10.66 |
| Hinaben Patel | 1,825,268 | 10.04 |
| Jayaben Patel | 1,416,924 | 7.79 |
| Mansukhbhai Kunvarjibhai Patel - HUF | 952,848 | 5.24 |
| Piyush Mansukhbhai Patel - HUF | 8,10,968 | 4.46 |
| Rupalben Patel | 794,016 | 4.37 |
| Jayesh Patel | 3,53,250 | 1.94 |
| Valani Jagdish | 2,35,340 | 1.29 |
| Chandubhai Miyani | 2,00,046 | 1.10 |
| Total | 1,61,16,998 | 88.65 |

11. Particulars of shareholders holding 1% or more of the paid-up capital of our Company, ten (10) days prior to the date of filing this Draft Prospectus:

| Particulars | Number of Shares | Percentage (%) Holding |
|------------------------------------|------------------|------------------------|
| Manish Patel | 1,911,924 | 10.52 |
| Piyush Patel | 2,899,386 | 15.95 |
| Manishbhai Mansukhbhai Patel - HUF | 2,778,994 | 15.29 |
| Mansukhbhai Patel | 1,938,034 | 10.66 |
| Hinaben Patel | 1,825,268 | 10.04 |

| | | |
|--------------------------------------|--------------------|--------------|
| Jayaben Patel | 1,416,924 | 7.79 |
| Mansukhbhai Kunvarjibhai Patel - HUF | 952,848 | 5.24 |
| Piyush Mansukhbhai Patel - HUF | 8,10,968 | 4.46 |
| Rupalben Patel | 794,016 | 4.37 |
| Jayesh Patel | 3,53,250 | 1.94 |
| Valani Jagdish | 2,35,340 | 1.29 |
| Chandubhai Miyani | 2,00,046 | 1.10 |
| Total | 1,61,16,998 | 88.65 |

12. **Particulars of shareholders holding 1% or more of the paid-up capital, one (1) year prior to the date of filling this Draft Prospectus:**

| Particulars | Number of Shares | Percentage (%) holding |
|--------------------------------------|------------------|------------------------|
| Manish Patel | 3,90,000 | 11.96% |
| Piyush Patel | 6,20,000 | 19.02% |
| Mansukhbhai Patel | 4,06,700 | 12.48% |
| Mansukhbhai Kunvarjibhai Patel – HUF | 2,00,000 | 6.13% |
| Jayaben Patel | 2,90,000 | 8.90% |
| Manishbhai Mansukhbhai Patel - HUF | 2,15,000 | 6.60% |
| Hinaben Patel | 3,81,000 | 11.69% |
| Rupalben Patel | 1,51,600 | 4.65% |
| Silpaben Vaghani | 1,47,000 | 4.51% |
| Rashminbhai Vaghasiya | 1,70,000 | 5.21% |
| Krunal Vaghasiya | 2,10,000 | 6.44% |
| Jayesh Patel | 78,500 | 2.41% |
| Total | 32,59,800 | 99.99% |

13. **Particulars of shareholders holding 1% or more of the paid-up capital, two (2) years prior to the date of filling this Draft Prospectus**

| Particulars | Number of Shares | Percentage (%) holding |
|--------------------------------------|------------------|------------------------|
| Manish Patel | 3,90,000 | 11.96 |
| Piyush Patel | 6,20,000 | 19.02 |
| Mansukhbhai Patel | 4,06,700 | 12.48 |
| Mansukhbhai Kunvarjibhai Patel – HUF | 2,00,000 | 6.13 |
| Jayaben Patel | 2,90,000 | 8.90 |
| Manishbhai Mansukhbhai Patel - HUF | 2,15,000 | 6.60 |
| Hinaben Patel | 3,81,000 | 11.69 |
| Rupalben Patel | 1,51,800 | 4.66 |
| Silpaben Vaghani | 1,47,000 | 4.51 |
| Rashminbhai Vaghasiya | 1,70,000 | 5.21 |
| Krunal Vaghasiya | 2,10,000 | 6.44 |
| Jayesh Patel | 78,500 | 2.41 |
| Total | 32,60,000 | 100.00 |

14. **History of the Equity Share capital held by our Promoters**

As on the date of this Draft Prospectus, our Promoters hold 67,49,344 Equity Shares, equivalent to 37.13% of the issued, subscribed and paid-up Equity Share capital of our Company.

A. Capital built-up of our Promoters:

| Name of the Promoters: Manish Patel | | | | | | | |
|-------------------------------------|----------------------|-------------------|---|-------------------------|---------------------|--|--|
| Date of allotment / Transfer | No. of Equity Shares | Face Value (in ₹) | Issue Price / Average Acquisition Price per Equity Share (in ₹) | Nature of Consideration | Nature of Allotment | Percentage of the pre-issue capital (in %) | Percentage of the post-issued capital (in %) |
| On Incorporation | 3,333 | 10.00 | 10.00 | Cash | Subscription to MOA | 0.02 | [•] |

| Name of the Promoters: Manish Patel | | | | | | | |
|-------------------------------------|----------------------|-------------------|---|-------------------------|--|--|--|
| Date of allotment / Transfer | No. of Equity Shares | Face Value (in ₹) | Issue Price / Average Acquisition Price per Equity Share (in ₹) | Nature of Consideration | Nature of Allotment | Percentage of the pre-issue capital (in %) | Percentage of the post-issued capital (in %) |
| September 04, 2017 | 126,667 | 10.00 | 10.00 | Cash | Private Placement | 0.70 | [●] |
| August 27, 2018 | 160,000 | 10.00 | 10.00 | Cash | Right Issue | 0.88 | [●] |
| February 27, 2019 | 100,000 | 10.00 | 10.00 | Cash | Transfer from Sweta Yogeshbhai Parmar | 0.55 | [●] |
| February 20, 2023 | 34,872 | 10.00 | 195.00 | Cash | Preferential Allotment (Conversion of Loan into Equity Shares) | 0.19 | [●] |
| March 17, 2023 | 531,090 | 10.00 | NA | Other than Cash | Bonus Issue | 2.92 | [●] |
| June 05, 2023 | 9,55,962 | 10.00 | NA | Other than Cash | Bonus Issue | 5.26 | [●] |
| TOTAL | 1,911,924 | | | | | 10.52 | [●] |

| Name of the Promoters: Piyush Patel | | | | | | | |
|-------------------------------------|----------------------|-------------------|---|-------------------------|--|--|--|
| Date of allotment / Transfer | No. of Equity Shares | Face Value (In ₹) | Issue Price / Average Acquisition Price per Equity Share (In ₹) | Nature of Consideration | Nature of Allotment | Percentage of the pre-issue capital (in %) | Percentage of the post-issued capital (in %) |
| On Incorporation | 3,333 | 10.00 | 10.00 | Cash | Subscription to MOA | 0.02 | [●] |
| September 04, 2017 | 136,667 | 10.00 | 10.00 | Cash | Private Placement | 0.75 | [●] |
| August 27, 2018 | 150,000 | 10.00 | 10.00 | Cash | Right Issue | 0.83 | [●] |
| April 03, 2019 | 330,000 | 10.00 | 10.00 | Cash | Right Issue | 1.82 | [●] |
| February 20, 2023 | 24,308 | 10.00 | 195.00 | Cash | Preferential Allotment (Conversion of Loan into Equity Shares) | 0.13 | [●] |
| March 17, 2023 | 805,385 | 10.00 | NA | Other than Cash | Bonus Issue | 4.43 | [●] |
| June 05, 2023 | 1,449,693 | 10.00 | NA | Other than Cash | Bonus Issue | 7.97 | [●] |
| TOTAL | 2,899,386 | | | | | 15.95 | [●] |

| Name of the Promoters: Mansukhbhai Patel | | | | | | | |
|--|----------------------|-------------------|---|-------------------------|--|--|--|
| Date of allotment / Transfer | No. of Equity Shares | Face Value (In ₹) | Issue Price / Average Acquisition Price per Equity Share (In ₹) | Nature of Consideration | Nature of Allotment | Percentage of the pre-issue capital (in %) | Percentage of the post-issued capital (in %) |
| On Incorporation | 3,334 | 10.00 | 10.00 | Cash | Subscription to MOA | 0.02 | [●] |
| September 04, 2017 | 216,666 | 10.00 | 10.00 | Cash | Private Placement | 1.19 | [●] |
| August 27, 2018 | 96,700 | 10.00 | 10.00 | Cash | Right Issue | 0.53 | [●] |
| April 03, 2019 | 90,000 | 10.00 | 10.00 | Cash | Right Issue | 0.50 | [●] |
| February 20, 2023 | 23,974 | 10.00 | 195.00 | Cash | Preferential Allotment (Conversion of Loan into Equity Shares) | 0.13 | [●] |
| March 17, 2023 | 538,343 | 10.00 | NA | Other than Cash | Bonus Issue | 2.96 | [●] |
| June 05, 2023 | 969,017 | 10.00 | NA | Other than Cash | Bonus Issue | 5.33 | [●] |
| TOTAL | 1,938,034 | | | | | 10.66 | [●] |

15. All the Equity Shares allotted to the Promoters as given above were fully paid up as on the date of such allotment. Further, none of the shares have been pledged with any bank/ financial institution and/ or with anybody else.

16. The average cost of acquisition of or subscription to Equity Shares by our Promoters are set forth in the table below:

| Name of the Promoters | No. of Equity shares held | Average cost of Acquisition (in ₹) * |
|-----------------------|---------------------------|--------------------------------------|
| Manish Patel | 1,911,924 | 5.60 |
| Piyush Patel | 2,899,386 | 3.77 |
| Mansukhbhai Patel | 19,38,034 | 4.51 |

* As certified by Statutory Auditor M/s. V C A S & Co., Chartered Accountants, pursuant to their certificate dated August 14, 2023

17. **We hereby confirm that:**

i. None of the members of the Promoters, Promoter Group, Directors and their immediate relatives have purchased or sold or transfer any Equity shares of our Company within the last six months from the date of this Draft Prospectus, except as stated in "**Capital Structure - History of the Equity Share and below:**

| Name | Category | Sale/Purchase/Transfer | Number of Equity Shares | Issue Price in ₹ | Date of Transaction |
|-------------------|----------|--|-------------------------|------------------|---------------------|
| Manish Patel | Promoter | Preferential Allotment (Conversion of Loan into Equity Shares) | 34,872 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 531,090 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 9,55,962 | NA | June 05, 2023 |
| Piyush Patel | Promoter | Preferential Allotment (Conversion of Loan into Equity Shares) | 24,308 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 805,385 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 14,49,693 | NA | June 05, 2023 |
| Mansukhbhai Patel | Promoter | Preferential Allotment (Conversion of Loan into Equity Shares) | 23,974 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 538,343 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 9,69,017 | NA | June 05, 2023 |

| | | | | | |
|--------------------------------------|----------------|--|-----------|--------|-------------------|
| Mansukhbhai Kunvarjibhai Patel – HUF | Promoter Group | Preferential Allotment (Conversion of Loan into Equity Shares) | 11,744 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 264,680 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 4,76,424 | NA | June 05, 2023 |
| Manishbhai Mansukhbhai Patel - HUF | Promoter Group | Transfer From Rashminbhai V. Vaghasiya | 169,990 | 10.00 | October 18, 2022 |
| | | Transfer From Krunal Vinubhai Vaghasiya | 210,000 | 10.00 | October 18, 2022 |
| | | Preferential Allotment (Conversion of Loan into Equity Shares) | 22,564 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 771,943 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 13,89,497 | NA | June 05, 2023 |
| Piyush Mansukhbhai Patel - HUF | Promoter Group | Transfer From Silpaben N. Vaghani | 147,000 | 10.00 | January 20, 2023 |
| | | Preferential Allotment (Conversion of Loan into Equity Shares) | 33,205 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 225,269 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 4,05,484 | NA | June 05, 2023 |
| Jayaben Patel | Promoter Group | Preferential Allotment (Conversion of Loan into Equity Shares) | 24,872 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 393,590 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 7,08,462 | NA | June 05, 2023 |
| Hinaben Patel | Promoter Group | Preferential Allotment (Conversion of Loan into Equity Shares) | 24,615 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 507,019 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 9,12,634 | NA | June 05, 2023 |
| Rupalben Patel | Promoter Group | Transfer To Lathiya Rekhaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Jagdish Babulal Valani Huf | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Chandubhai Miyani | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Kakadiya Pareshbhai | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Kakadiya Shilpaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Patel Devangbhai | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Gabani Asmitaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Baldha Ajaykumar | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Rangani Aashikaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Mehulkumar Chanchad | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Tarsariya Sunilbhai | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vaghani Nareshbhai | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Sonani Kinjalben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vekariya Sumitra | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vilasben Dhola | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Patel Maheshbhai | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Sejalben Savaliya | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Rangani Sandeep | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Milankumar Govindbhai Sojitra Huf | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Sojitra Milankumar | (10) | 10.00 | October 18, 2022 |

| | | | | | |
|-------------------|----------------|--|----------|--------|-------------------|
| | | Transfer To Kakadiya Sanjaykumar | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Jigneshkumar Italiya | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Jivani Shital | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Rajeshbhai Savani | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vastapara Gitaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vastapara Manisha | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Vastapara Yogitaben | (10) | 10.00 | October 18, 2022 |
| | | Transfer To Bhojani Kalpeshbhai | (10) | 10.00 | October 18, 2022 |
| | | Preferential Allotment (Conversion of Loan into Equity Shares) | 25,128 | 195.00 | February 20, 2023 |
| | | Received through Bonus Issue | 220,560 | NA | March 17, 2023 |
| | | Received through Bonus Issue | 3,97,008 | NA | June 05, 2023 |
| Chandubhai Miyani | Promoter Group | Transfer From Rupalben Patel | 10 | 10.00 | October 18, 2022 |
| | | Received through Bonus Issue | 13 | NA | March 17, 2023 |
| | | Preferential Allotment (Conversion of Loan into Equity Shares) | 100,000 | 85.00 | March 30, 2023 |
| | | Received through Bonus Issue | 1,00,023 | NA | June 05, 2023 |
| Kakdiya Shilpaben | Promoter Group | Transfer From Rupalben Patel | 10 | 10.00 | October 18, 2022 |
| | | Received through Bonus Issue | 13 | NA | March 17, 2023 |
| | | Preferential Allotment (Conversion of Loan into Equity Shares) | 11,765 | 85.00 | March 30, 2023 |
| | | Received through Bonus Issue | 11,788 | NA | June 05, 2023 |

ii. None of the Promoters, members of the Promoter Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company within the period of six months immediately preceding the date of this Draft Prospectus.

18. No financing arrangements have been entered by the members of the Promoter Group, the Directors or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Prospectus.

19. Details of Promoters contribution locked in for three (3) years:

i. Pursuant to the Regulations 236 and 238 of SEBI ICDR Regulations, an aggregate of at least 20% of the post Issue Equity Share capital of our Company held by our Promoters shall be locked-in for a period of three years from the date of Allotment in this Issue. As on date of this Draft Prospectus, our Promoters holds [●] Equity Shares constituting [●]% of the Post-Issued, Subscribed and Paid-up Equity Share Capital of our Company, which are eligible for Promoters' Contribution.

Our Promoters have consented in writing to include such number of Equity Shares held by them as may constitute of the post issue Equity Share capital of our Company as Promoters Contribution and have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters Contribution from the date of filing of this Draft Prospectus until the commencement of the lock-in period specified above. Details of the Equity Shares forming part of Promoters Contribution and their lock-in details are as follows:

| Promoters | Date of Allotment/ Acquisition and when made fully paid-up | Nature of Acquisition | No. of Equity Shares | Face Value (in ₹) | Issue Price per Equity share (in ₹) | % of Pre-Issue Equity share capital | % of Post Issue Equity shares Capital | Lock in Period |
|-------------------|--|-----------------------|----------------------|-------------------|-------------------------------------|-------------------------------------|---------------------------------------|----------------|
| Manish Patel | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| Piyush Patel | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |
| Mansukhbhai Patel | [●] | [●] | [●] | [●] | [●] | [●] | [●] | [●] |

| | | |
|-------|-----|-----|
| Total | [●] | [●] |
|-------|-----|-----|

**To be included in the Prospectus.*

The Minimum Promoters Contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as ‘promoters under the SEBI ICDR Regulations. The Equity Shares that are being locked-in are not, and will not be, ineligible for minimum Promoters contribution under Regulation 237 of the SEBI ICDR Regulations. In this computation, as per Regulation 237 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares which are being locked-in do not, and shall not, consist of:

- i. Equity Shares acquired during the three (3) years preceding the date of filing of this Draft Prospectus for consideration other than cash and revaluation of assets or capitalization of intangible assets involved in such transactions or resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue against Equity Shares which are ineligible for computation of minimum Promoters contribution;
- ii. Equity Shares acquired by our Promoters during the preceding one (1) year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue is not part of the minimum promoter contribution;
- iii. The Equity Shares held by the Promoters that are subject to any pledge or any other form of encumbrance
- iv. Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership into a company in the past one (1) year and thus, no Equity Shares have been issued to our Promoters upon conversion of a partnership firm a limited liability partnership in the past one (1) year.
- v. As on the date of this Draft Prospectus, the Equity Shares held by the Promoters are in dematerialized form.

20. Equity Shares locked-in for one year other than Minimum Promoters’ Contribution.

Pursuant to regulation 238(b) and 239 of the SEBI (ICDR) Regulations, other than the Equity Shares held by our Promoters, which will be locked-in as minimum Promoters’ contribution for three years, all post-Issue [●] Equity Shares shall be subject to lock-in for a period of one year from the date of Allotment in this Issue.

21. Inscription or recording of non-transferability

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription “Non-Transferable” and specify the lock- in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

22. Pledge of Locked in Equity Shares

Pursuant to Regulation 242 of the SEBI (ICDR) Regulations, the locked-in Equity Shares held by our Promoters can be pledged with any scheduled commercial bank or public financial institution or systematically important non-banking finance company or a housing finance company as collateral security for loans granted by them, provided that:

- a) if the equity shares are locked-in in terms of clause (a) of regulation 238, the loan has been granted to the company for the purpose of financing one or more of the objects of the issue and pledge of equity shares is one of the terms of sanction of the loan;
- b) if the specified securities are locked-in in terms of clause (b) of regulation 238 and the pledge of specified securities is one of the terms of sanction of the loan.

Provided that such lock-in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock-in period stipulated in these regulations has expired.

23. Transferability of Locked in Equity Shares

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable;

- a) The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- b) The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.

24. Our Company, our Directors and the Lead Manager to this Issue have not entered into any buy-back or similar arrangements with any person for purchase of our Equity Shares issued by our Company.
25. As on date of this Draft Prospectus, there are no partly paid-up equity shares and all the Equity Shares of our Company are fully paid up.
26. As per RBI regulations, OCBs are not allowed to participate in this Issue.
27. Our Company has not raised any bridge loans.
28. There are no Equity Shares against which depository receipts have been issued.
29. The Issue Price shall be determined by our Company and the Promoters, in consultation with the Lead Manager.
30. Our Promoters and the members of our Promoter Group will not participate in this Issue.
31. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
32. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (as defined under Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares in our Company.
33. Our Promoter and the members of our Promoter Group will not participate in this Issue.
34. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
35. Our Company will ensure that any transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing of this Draft Prospectus and Issue Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
36. As on the date of this Draft Prospectus, the Lead Manager and their respective associates (determined as per the definition of 'associate Company' under Section 2(6) of the Companies Act, 2013) do not hold any Equity Shares in our Company.
37. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
38. For the details of transactions by our Company with our Promoter Group, Group Companies during the last financial years i.e., 2023, 2022 and 2021, please refer to paragraph titled details of Related Parties Transactions as restated in the chapter titled **"Restated Financial Statement"** beginning on page 143 of this Draft Prospectus.
39. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled **"Our Management"** beginning on page 125 of this Draft Prospectus.

SECTION - IV – PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The Issue comprises a fresh issue of up to 67,25,000 Equity Shares by our Company aggregating up to ₹ [●] Lakhs (“**Fresh Issue/ Issue**”).

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

1. Augmenting our Company’s Tier – I capital base to meet our Company’s future capital requirements, arising out of the growth of our business and asset; and
2. General corporate purposes

(Collectively referred to as “**Objects**”)

We believe that listing will enhance our corporate image and visibility of the brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the NSE Emerge.

The main objects clause and the objects ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company in the Issue. The fund requirement and its deployment are based on estimates made by our management and such estimates have not been subjected to appraisal by any bank or financial institution.

Net Proceeds

The details of the proceeds from the Issue are set out in the following table:

(₹ in lakhs)

| Particulars | Estimated Amount |
|--|------------------|
| Gross proceeds of the Fresh Issue [#] | [●] |
| Less: Issue related expenses | [●] |
| Net Proceeds | [●] |

[#]To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the Stock Exchange

Schedule of implementation and deployment of Net Proceeds

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

(₹ in lakhs)

| Particulars | Amount to be funded from Net Proceeds | Financial year ended March 31, 2024 |
|---|---------------------------------------|-------------------------------------|
| Augmenting our Company’s Tier – I capital base to meet our Company’s future capital requirements, arising out of the growth of our business and asset | [●] | [●] |
| General corporate purposes* | [●] | [●] |
| Net Proceeds of the issue | [●] | [●] |

*To be finalised upon determination of Issue Price and updated in the Prospectus. The amount shall not exceed 25% of the Gross Proceeds.

We propose to deploy the Net Proceeds towards the Objects of the Issue by the end of the Financial Year 2024 and in the manner as specified in the table above. However, if the Net Proceeds are not utilized (in full or in part) for the objects of the Issue during the period stated above due to factors such as (i) the timing of completion of the Issue; (ii) market conditions outside the control of our Company; and (iii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws

The fund deployment indicated above is based on management estimates, current circumstances of our business and we may have to revise our estimates from time to time on account of various factors, such as financial and market conditions, competition, interest rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable laws. For further details of factors that may affect these estimates, please refer to chapter titled “**Risk Factors**” on beginning on page 20 of this Draft Prospectus.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being

raised in this Issue. If surplus funds are unavailable, the required financing will be done through internal accruals through cash flows from our operations and debt. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for towards the objects set out herein above, if required including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with Regulation of the SEBI (ICDR).

Details of Objects of the Issue

1. *Augmenting our Company's Tier – I capital base to meet our Company's future capital requirements, arising out of the growth of our business and asset*

We are an NBFC in India and are registered with the RBI under Section 45 IA of the Reserve Bank of India Act, 1934. We lend money to our customers who are onboarded through the “IBL: Instant Personal Loan” mobile app. As an NBFC, we are subject to regulations relating to the capital adequacy, which determine the minimum amount of capital we must hold as a percentage of the risk -weighted assets on our portfolio and of the risk adjusted value of off-balance sheet items, as applicable. As per the capital adequacy norms issued by the RBI, we are required to have a regulatory minimum CRAR of 15.00%.

As of March 31, 2023, our Company's CRAR - Tier – I capital, in accordance with the Restated Financial Information, was 114.80%. As we continue to grow our loan portfolio and asset base, we will require additional capital in order to continue to meet applicable capital adequacy ratios with respect to our business. The Net Proceeds will be utilised to increase our Company's Tier – I capital base to meet our future capital requirements which are expected to arise out of growth of our business and assets, and to ensure compliance with the NBFC-ND-NSI Directions. We anticipate that the Net Proceeds will be sufficient to satisfy our Company's Tier – I capital requirements for Financial Year 2023.

We typically use our Tier – I capital towards our Company's business and growth, including onwards lending, payment of operating expenditure, repayment and/or prepayment of outstanding liabilities and interest thereon as part of our business activities, capital expenditure towards scaling-up branch infrastructure and technology and other general corporate purposes.

2. *General Corporate Expenses*

The Net Proceeds will first be utilized for the Object set out above, post which, our Company proposes to deploy the balance Net Proceeds aggregating to ₹ [●] Lakhs towards general corporate purposes, subject to such amount not exceeding 25% of the Gross Proceeds, in compliance with the SEBI (ICDR) Regulations. The general corporate purposes for which our Company proposes to utilise the Net Proceeds, includes but are not restricted to strategic initiatives, meeting funding requirements for expansion of our business operations and growth opportunities, strengthening marketing capabilities and brand building exercises, providing security deposits and cash collaterals and for meeting exigencies, repayment of debt, working capital requirements, expenses of our Company, as applicable and any other purpose, as may be approved by the Board or a duly constituted committee thereof subject to compliance with Companies Act and other applicable laws. Our Company's management shall have flexibility in utilising surplus amounts, if any. In addition to the above, our Company may utilise the Net Proceeds towards other expenditure, as may be considered expedient, and as approved periodically by our Board or a duly constituted committee thereof, subject to compliance with necessary provisions of the Companies Act and the SEBI Listing Regulations.

Issue Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs.

The expenses of this Issue include, among others, fees payable to the Lead Manager, underwriting, intermediaries' fees, printing and stationery expenses, advertisement expenses and legal fees etc. The details of Issue expenses are tabulated below:

| Activity | Estimated Issue Expenses (₹ in lakhs) * | As a % of total estimated Issue related expenses | As a % of the total Issue size |
|---|---|--|--------------------------------|
| Lead Manager Fees including Underwriting Commission | [●] | [●] | [●] |
| Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Issue. Brokerage, underwriting commission and selling commission and bidding charges for members of the Syndicate, Registered Brokers, RTAs and CDPs ^{(2) (3)(4)} | [●] | [●] | [●] |
| Registrar to the Issue | [●] | [●] | [●] |
| Legal and Other Advisory Services | [●] | [●] | [●] |
| Advertising Expenses | [●] | [●] | [●] |
| Regulators including Stock Exchange | [●] | [●] | [●] |

| Activity | Estimated Issue Expenses (₹ in lakhs) * | As a % of total estimated Issue related expenses | As a % of the total Issue size |
|---|---|--|--------------------------------|
| Printing and Distribution of issue stationery | [●] | [●] | [●] |
| Others, if any (Market making, marketing expenses, advisors & consultants fees, upload fees etc.) | [●] | [●] | [●] |
| Total estimated issue related expenses | [●] | [●] | [●] |

*Issue expenses include applicable taxes, where applicable. Issue expenses will be finalised on determination of Issue Price and incorporated at the time of filing of the Prospectus. Issue expenses are estimates and are subject to change

Notes:

- The fund deployed out of internal accruals up to ₹ [●] Lakhs towards issue expenses received from M/s. VCAS & Co, Chartered Accountants and the same will be recouped out of issue expenses.
- Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are directly procured by the SCSBs, would be as follows

| | |
|---|---|
| Portion for Retail Individual Applicants* | ₹10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Applicants* | ₹10 per valid application (plus applicable taxes) |

* The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of NSE.

Notwithstanding anything contained above in this clause the total selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total selling commission fees exceeds Rs 1 lakh (plus applicable taxes) then selling commission fees using UPI Mechanism will be paid on pro-rata basis.

- No uploading/ processing fees shall be payable by our Company to the SCSBs on the applications directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by the members of the Syndicate/ sub-Syndicate/ Registered Broker/ RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:

| | |
|---|---|
| Portion for Retail Individual Applicants* | ₹10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Applicants* | ₹10 per valid application (plus applicable taxes) |

- The processing fees for applications made by Retail Individual Applicants using the UPI Mechanism would be as follows:

| | |
|--|--|
| Members of the Syndicate/ RTAs/ CDPs (uploading charges) | ₹10 per valid application (plus applicable taxes) |
| Sponsor Bank | ₹10 per valid application* (plus applicable taxes). The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars and other applicable law |

*For each valid application by respective Sponsor Bank

Notwithstanding anything contained above in this clause the total Uploading charges/ Processing fees payable to Members of the Syndicate/ RTAs/ CDPs for applications made by RIIs (up to ₹200,000), Non-Institutional Applicants (for an amount more than ₹200,000 and up to ₹500,000) using the UPI Mechanism and in case if the total uploading charges/ processing fees exceeds Rs 1 lakh (plus applicable taxes) then uploading charges/ processing fees using UPI Mechanism will be paid on pro-rata basis.

- Selling commission on the portion for Retail Individual Applicants and Non-Institutional Applicants which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:

| | |
|---|---|
| Portion for Retail Individual Applicants* | ₹10 per valid application (plus applicable taxes) |
| Portion for Non-Institutional Applicants* | ₹10 per valid application (plus applicable taxes) |

*Based on valid applications

6. *Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Applicants which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs Bidding charges payable to the Registered Brokers, CRTAs/ CDPs on the portion for RIBs and Non-Institutional Applicants which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:*

| | |
|--|--|
| <i>Portion for Retail Individual Applicants*</i> | <i>₹10 per valid application (plus applicable taxes)</i> |
| <i>Portion for Non-Institutional Applicants*</i> | <i>₹10 per valid application (plus applicable taxes)</i> |

** Based on valid applications*

Notwithstanding anything contained above the total uploading/ bidding charges payable under this clause will not exceed Rs.1 lakh (plus applicable taxes) and in case if the total uploading/ bidding charges exceeds Rs 1 lakh (plus applicable taxes) then uploading charges will be paid on pro-rata basis.

7. *The Selling Commission payable to the Syndicate/ Sub-Syndicate Members will be determined on the basis of the application form number/ series, provided that the application is also bid by the respective Syndicate/ Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate/ Sub-Syndicate Member. Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the portion for RIBs and Noninstitutional Applicants which are procured by them and submitted to SCSB for blocking, would be as follows: ₹10 plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.*

The selling commission and bidding charges payable to Registered Brokers the CRTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE.

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by UPI Applicants using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

8. *No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them*
9. *The commissions and processing fees shall be payable within 30 working days post the date of receipt of final invoices of the respective intermediaries.*
10. *Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price*
11. *The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.*

Means of finance

Fund requirements for the Objects are proposed to be met from the Net Proceeds and our internal accruals. Accordingly, we confirm that there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations 2018 and Clause 9(C) of Part A of Schedule VI of the SEBI ICDR Regulations 2018 through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the Issue or through existing identifiable internal accruals.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the objects of the Issue, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Subject to applicable law, if the actual utilisation towards any of the Objects, including utilization towards Issue expense, is lower than the proposed deployment, such balance will be used for towards the objects setout herein above, including general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds from the Issue in accordance with the SEBI (ICDR) Regulations.

Interim use of Net Proceeds

Pending utilization for the purposes described above, our Company undertake to deposits the Net Proceeds only in one or more with the scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, as may be approved by our Board.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

Bridge Financing Facilities

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

Appraisal Report

None of the Objects for which the Net Proceeds will be utilised, has been appraised by any agency.

Monitoring Utilization of Funds

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

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors of our Company. Further, in accordance with Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

Variation in Objects

Our Company shall not vary the objects of the Issue, as envisaged under Sections 13(8) and 27 of the Companies Act and applicable rules, without our Company being authorised to do so by the Shareholders by way of a special resolution.

Other Confirmation

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoters, members of the Promoter Group, Directors, or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement / agreements with Promoters, members of the Promoter Group, Directors or Key Management Personnel in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●]/- per Equity Share is determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹10.00/- per Equity Share and Issue Price is ₹ [●]/- per Equity Share. The Issue Price is [●] times the face value.

Investors should refer Chapter / Chapters titled “*Risk Factors*”, “*Restated Financial Statements*”, “*Management Discussion and Analysis of Financial Condition and Results of Operations*” and “*Business Overview*” beginning on page 2, 143, 182 and 98 respectively of this Draft Prospectus to get an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Mobile first approach driving better customer engagement and experience;
2. Risk management, data science and machine learning leveraged operating model;
3. Stable and relatively experienced management team; and
4. Improved financial performance.

For further details, please see the paragraph titled “*Our Competitive Strengths*” in the Chapter titled “*Business Overview*” beginning on page 98 of this Draft Prospectus.

Quantitative Factors

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price, are as follows:

1. Basic and Diluted Earnings Per Share (EPS)

| Financial Year ended on | Before Bonus | | After Bonus | |
|------------------------------|--------------|-------------|-------------|-------------|
| | Basic EPS | Weights | Basic EPS | Weights |
| March 31, 2021 | (0.30) | 1 | (0.07) | 1 |
| March 31, 2022 | 1.31 | 2 | 0.29 | 2 |
| March 31, 2023 | 5.77 | 3 | 1.15 | 3 |
| Weightage Average EPS | | 3.27 | | 0.66 |

Note:

- a) The face value of each Equity Share is ₹ 10.
- b) Basic Earnings per share = Profit for the period / Weighted average number of equities shares outstanding during the period/year.
- c) Diluted Earnings per share = Profit for the period / Weighted average number of potential equities shares outstanding during the period/year.
- d) Weighted average is aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. $\{(EPS \times Weight) \text{ for each year}\} / \{\text{Total of weights}\}$
- e) Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.
- f) The figures disclosed above are based on the Restated Financial Statement of our Company.
- g) The Company issue Bonus Equity Shares of 43,56,628 and 90,90,325 on March 17, 2023 and June 05, 2023, respectively. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

2. Return on Net worth (RoNW)

Return on Net Worth (RoNW) as per Restated financial statements:

| Financial Year ended on | RONW (%) | Weight |
|-------------------------|----------|--------|
| March 31, 2021 | -3.16% | 1 |
| March 31, 2022 | 12.02% | 2 |
| March 31, 2023 | 9.41% | 3 |

| Financial Year ended on | RONW (%) | Weight |
|-------------------------|---------------|--------|
| Weighted Average | 8.19 % | |

Note:

- Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / Net worth as restated as at year end.
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.
- Net worth is aggregate value of the paid-up share capital of the Company and other equity, excluding revaluation reserves if any, as per Restated Financial Information.

3. Net Asset Value (NAV)

| Particulars | ₹ per share (Post Bonus) |
|---|--------------------------|
| Net Asset Value per Equity Share as of March 31, 2021 | 2.13 |
| Net Asset Value per Equity Share as of March 31, 2022 | 2.42 |
| Net Asset Value per Equity Share as of March 31, 2023 | 12.20 |
| Net Asset Value per Equity Share after Issue | [●] |
| Issue Price | [●] |

Note:

- Net Asset Value has been calculated as per the following formula:

$$\text{NAV} = \frac{\text{Net worth excluding revaluation reserve}}{\text{Outstanding number of Equity shares outstanding during the year/period}}$$

- Weighted average number of Equity Shares are the number of Equity Shares outstanding at the beginning of the period/ year adjusted by the number of Equity Shares issued during the period/ year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/ year.
- The figures disclosed above are based on the Restated Financial Statement of our Company.
- The Company issue Bonus Equity Shares of 43,56,628 and 90,90,325 on March 17, 2023 and June 05, 2023, respectively. The Company issue Bonus Equity Shares of 43,56,628 and 90,90,325 on March 17, 2023 and June 05, 2023, respectively. For calculating the Weighted Average Number of Equity Shares for EPS above, these bonus shares have been considered in all the periods reported.

4. Comparison with Listed industry peers

| Name of the Company | Total Income (₹ in lakhs) | Face Value per Equity Share (₹) | EPS (Basic) (₹) | EPS (Diluted) (₹) | P/E | P/B | RoNW (%) | NAV (₹) |
|--|---------------------------|---------------------------------|-----------------|-------------------|-------|------|----------|---------|
| IBL Finance Limited | 1,330.52 | 10.00 | 1.15 | 1.15 | [●] | [●] | 9.41% | 12.20 |
| Peer Groups | | | | | | | | |
| MAS Financial Services Limited (Consolidated) | 99,026.00 | 10.00 | 37.18 | 37.18 | 22.68 | 3.03 | 13.55% | 277.83 |
| Arman Financial Service Limited (Consolidated) | 42,390.00 | 10.00 | 110.47 | 107.28 | 20.93 | 0.19 | 25.65% | 430.61 |
| Apollo Finvest (India) Limited (Standalone) | 4,615.40 | 10.00 | 27.01 | 27.01 | 19.56 | 0.21 | 24.06% | 112.26 |

| | | | | | | | | |
|------------------------------------|----------|-------|-------|-------|-------|------|--------|--------|
| CSL Finance Limited (Consolidated) | 11753.00 | 10.00 | 22.02 | 21.40 | 15.38 | 1.94 | 12.59% | 174.85 |
| Ugro Capital Limited | 48291.34 | 10.00 | 5.69 | 5.66 | 53.43 | 0.35 | 4.04% | 106.46 |

Notes:

- a) Financial information for IBL Finance Limited is derived from the Restated Financial Statements for the year ended March 31, 2023.
- b) All the financial information for listed industry peers mentioned above is sourced from the annual reports/ financial results as available of the respective company for the year ended March 31, 2023 submitted to stock exchanges
- c) Basic EPS refers to the Basic EPS sourced from the financial results of the respective company for the year ended March 31, 2023.
- d) P/E Ratio has been computed based on the closing market price of equity shares on BSE on August 14, 2023 divided by the Diluted EPS provided.
- e) P/B Ratio is computed as closing market price of equity shares on BSE as on August 14, 2023 divided by NAV, as on March 31, 2023.
- f) RoNW is computed as net profit after tax (including profit attributable to non-controlling interest) divided by closing net worth. Net worth has been computed as sum of paid-up share capital and other equity
- g) Total Equity includes equity share capital and other equity derived from our Restated Financial Statements as of the last day of the relevant year
- h) Net Asset Value per Equity Share is computed as the Total Equity divided by the equity shares outstanding as on March 31, 2023.
- i) Listed peers are as identified by us on the basis of similar line of business with our Company, however, not comparable with size of our Company.

5. The Issue price is [●] times of the face value of the Equity Shares

The Issue Price of ₹ [●] per equity share has been determined by the Company in consultation with the lead manager on the basis of an assessment of market demand for the equity shares through the fixed price issue process and on the basis of qualitative and quantitative factors.

Prospective investors should read the above-mentioned information along with “**Risk Factors**”, “**Business Overview**”, “**Management’s Discussion and Analysis of Financial Position and Results of Operations**” and “**Restated Financial Statements**” beginning on pages 20, 98, 182 and 143, respectively, to have a more informed view. The trading price of the equity shares could decline due to the factors mentioned in the “**Risk Factors**” and you may lose all or part of your investments.

6. Key Performance Indicators

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance, which in result, help us in analyzing the growth of our Company.

The KPIs herein have been certified by Statutory Auditor, M/s VCAS & Co., Chartered Accountants, by their certificate dated August 14, 2023.

The KPIs of our Company have been disclosed in the chapters titled “**Business Overview**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators**” on pages 98 and 182, respectively. We have described and defined the KPIs, as applicable, in “**Definitions and Abbreviations**” on page 2.

Our Company confirms that it shall continue to disclose all the KPIs included in this chapter on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

Key Performance Indicators of our Company.

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|----------------------|----------------------|----------------------|
| Revenue from operations (₹ in lakhs) ⁽¹⁾ | 1330.52 | 327.08 | 112.59 |
| Growth in Revenue from Operations (%) ⁽²⁾ | 306.79% | 190.51% | 5.29% |
| EBITDA (₹ in lakhs) ⁽³⁾ | 399.70 | 70.05 | -2.44 |
| EBITDA Margin (%) ⁽⁴⁾ | 30.04% | 21.42% | -2.17% |
| Restated Profit After Tax for the Year (₹ in lakhs) | 192.83 | 42.73 | -9.88 |
| PAT Margin% ⁽⁵⁾ | 14.49% | 13.06% | -8.88% |
| Net Worth ⁽⁶⁾ | 2048.74 | 355.47 | 312.73 |
| Capital Employed (₹ in lakhs) ⁽⁷⁾ | 2056.94 | 993.44 | 307.77 |
| RoA (%) ⁽⁸⁾ | 8.69% | 4.18% | -2.91% |
| RoE (%) ⁽⁹⁾ | 9.41% | 12.02% | -3.16% |
| RoCE (%) ⁽¹⁰⁾ | 18.88% | 6.32% | -3.01% |
| Gross NPA (₹ in lakhs) ⁽¹¹⁾ | 75.77 | 20.92 | 52.95 |
| Net NPA (₹ in lakhs) ⁽¹²⁾ | 56.83 | 15.69 | 39.22 |
| AUM (₹ in lakhs) ⁽¹³⁾ | 1461.18 | 842.19 | 262.78 |
| Customers ⁽¹⁴⁾ | 16384 | 27282 | 1055 |
| Tangible Networth (₹ in lakhs) ⁽¹⁵⁾ | 2047.81 | 352.87 | 307.78 |
| Leverage (AUM/Networth) | 0.71 | 2.37 | 0.84 |
| AUM/Tangible Networth | 0.71 | 2.39 | 0.85 |
| Branches ⁽¹⁶⁾ | 1 | 1 | 1 |
| Employees ⁽¹⁷⁾ | 67 | 21 | 21 |
| AUM per Branch ⁽¹⁸⁾ | 1461.18 | 842.19 | 262.78 |
| AUM per employee ⁽¹⁹⁾ | 21.81 | 40.10 | 12.51 |
| Disbursement per branch per month (₹ lakhs) ⁽²⁰⁾ | 436.23 | 103.70 | 11.00 |
| Disbursement per employee per month (₹ lakhs) ⁽²¹⁾ | 6.51 | 4.94 | 0.52 |
| Gross NPA ratio (%) ⁽²²⁾ | 5.19 | 2.48 | 20.15 |
| Net NPA ratio (%) ⁽²³⁾ | 3.94 | 1.87 | 15.75 |
| Operating Expenses to Average AUM (%) ⁽²⁴⁾ | 50.39% | 23.79% | 41.68% |
| Cost to income ratio (%) ⁽²⁵⁾ | 55.23% | 61.26% | 97.28% |
| Provision Coverage Ratio (%) ⁽²⁶⁾ | 18.10% | 25.00% | 11.78% |
| Net Interest Margin (%) ⁽²⁷⁾ | 73.19% | 36.81% | 41.47% |
| CRAR (%) ⁽²⁸⁾ | 1.14 | 0.40 | 1.10 |
| Total disbursal amount | 5234.70 | 1244.38 | 131.99 |
| Total loan disbursal | 122078 | 39967 | 634 |
| % disbursal to existing users | 29.97 | 14.37 | 1 |
| Registered Users add during the year | 381156 | 84412 | 12757 |
| Active Users | 16384 | 27282 | 1055 |

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- (3) EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income.
- (4) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.

- (5) *PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations.*
- (6) *Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Statements.*
- (7) *Capital Employed is calculated as total equity plus total borrowings minus intangible assets.*
- (8) *ROA represents profit after tax, divided by average of total assets on book. Total assets represent total assets as of the last day of the relevant period*
- (9) *Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.*
- (10) *Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.*
-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.
- (11) *Gross NPA (GNPA) denotes the total of all the loan assets that haven't been repaid by the borrowers within the ninety-day period.*
- (12) *Net NPA (NNPA) is the amount remaining after deducting doubtful and unpaid debts from the GNPA*
- (13) *AUM represents aggregate of Gross Loan Book as of the last day of the relevant period*
- (14) *Number of customers represents aggregate number of customers of our Company as of the last day of relevant period including securitized accounts*
- (15) *Tangible Net worth represents the sum of equity share capital and other equity and reduced by goodwill as of the last day of the relevant period*
- (16) *Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.*
- (17) *Number of employees represents aggregate number of employees of our Company as of the last day of relevant period*
- (18) *AUM per branch represents AUM as of last day of the relevant period divided by number of branches*
- (19) *AUM per employee represents AUM as of the last day of the relevant period divided by number of employees.*
- (20) *Disbursement per branch per month represents disbursements in the relevant period divided by number of branches and number of months*
- (21) *Disbursement per employee per month represents disbursements in the relevant period divided by number of employees and number of months*
- (22) *Gross NPA ratio (%) represents the Gross NPA to the Gross Loan Book as of the last day of the relevant period.*
- (23) *Net NPA ratio (%) represents the Net NPA to the Gross Loan Book as of the last day of the relevant period.*
- (24) *Operating Expenses to Average AUM represents our operating expenses for a period to the Average AUM for the period.*
- (25) *Cost to income ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total revenue less adjusted finance costs for the relevant year/ period.*
- (26) *Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.*
- (27) *Average yield on Gross Loan Book represents the ratio of interest income on loan assets for a period to the average Gross Loan Book for the period.*
- (28) *Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage*
- (29) *Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.*

| Name of the Company | Revenue from operation (₹ in lakhs) | PAT | PAT margin | AUM | Return on Net Worth |
|---------------------|-------------------------------------|-----|------------|-----|---------------------|
| | | | | | |

| | | | | | |
|--|-----------|----------|--------|-------------------|--------|
| IBL Finance Limited | 1,330.52 | 192.83 | 14.49% | 1461.18 | 9.41% |
| MAS Financial Services Limited (Consolidated) | 98783.00 | 20582.00 | 20.84% | 80,926 | 15.25% |
| Arman Financial Service Limited (Consolidated) | 42,390.12 | 9381.13 | 22.13% | 123320 | 25.65% |
| Apollo Finvest (India) Limited (Standalone) | 44,38.35 | 1007.64 | 22.70% | -(¹) | 24.06% |
| CSL Finance Limited (Consolidated) | 11723.69 | 4562.84 | 38.92% | -(¹) | 12.59% |
| Ugro Capital Limited | 65645.37 | 3977.64 | 6.06% | -(¹) | 4.04% |

⁽¹⁾ AUM as on March 31, 2023 is not available

Set forth below are the details of comparison of key performance of indicators with our listed industry peers:

7. Weighted average cost of acquisition

a) The price per share of the Company based on the primary/ new issue of shares (equity/ convertible securities).

There has been no issuance of Equity Shares during the 18 months preceding the date of this Draft Prospectus (Except Bonus Issue of Shares), where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days. (**“Primary Issuances”**)

The detail of primary transactions during the 18 months preceding the date of this Draft Prospectus:

| Date of transaction | Name of Acquirer | No. of Equity Shares | Price per Equity Share | Nature of Transaction | Total Consideration (in ₹ Lakhs) |
|---|------------------|----------------------|------------------------|---------------------------------------|----------------------------------|
| February 20, 2023 | Multiple | 225,282 | 195.00 | Conversion of Loan into Equity Shares | 439.30 |
| March 30, 2023 | Multiple | 12,48,415 | 85.00 | Conversion of Loan into Equity Shares | 1061.15 |
| | | 14,73,697 | | | 1500.45 |
| Weighted average cost of acquisition (WACA)* | | | | | 101.82 |

*As certified by the Statutory Auditor, M/s VCAS & Co., Chartered Accountants, by their certificate dated August 14, 2023

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares).

There have been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

There have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Draft Prospectus.

c) Since there are transactions to report under (a) and (b) therefore, information based on last 5 primary and secondary transactions (primary and secondary where Promoter / Promoter Group entities shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction), not older than 3 years prior to the date of this Draft Prospectus irrespective of the size of transactions, is not considered.

d) Weighted average cost of acquisition, Floor Price and Cap Price

Based on the disclosures in (a) above, the weighted average cost of acquisition of Equity Shares as compared with the Floor Price and Cap Price is set forth below:

| Type of Transactions | Weighted average cost of acquisition (₹ per Equity Shares) | Issue Price ₹ [●] |
|---|--|-------------------|
| Weighted average cost of acquisition of primary / new issue as per paragraph 7(a) above. | 101.82 | [●] |
| Weighted average cost of acquisition for secondary sale / acquisition as per paragraph 7(b) above. | NIL | [●] |
| Weighted average cost of acquisition of primary issuances / secondary transactions as per paragraph 7(c) above. | NIL | [●] |

**As certified by the Statutory Auditor, M/s VCAS & Co., Chartered Accountants, by their certificate dated August 14, 2023*

Detailed explanation for Issue Price being [●] times of WACA of primary issuance price/secondary transaction price of Equity Shares along with our Company's KPIs and financial ratios for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 and in view of the external factors which may have influenced the pricing of the issue, if any

For details of our Company's key performance indicators and financial ratios, please refer to chapters entitled "**Basis of Issue**" and "**Business Overview**" on pages 80 and 98 respectively. The Issue Price of ₹ [●] has been determined by our Company, in consultation with the Lead Manager. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled "**Risk Factors**" or any other factors that may arise in the future and you may lose all or part of your investments.

Our Company in consultation with the Lead Manager, is justified of the Issue Price in view of the above qualitative and quantitative parameters. Investors should read the abovementioned information along with the chapters entitled "**Risk Factors**", "**Business Overview**" and "**Restated Financial Statement**" on pages 20, 98 and 143, respectively, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the chapter entitled "**Risk Factors**" or any other factors that may arise in the future and you may lose all or part of your investments.

The Issue Price shall be determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the above-mentioned information along with "**Business Overview**", "**Risk Factors**" and "**Restated Financial Statements**" on pages 98, 20 and 143 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "**Risk Factors**" or any other factors that may arise in the future and you may lose all or part of your investments.

STATEMENT OF TAX BENEFITS

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To,
The Board of Directors
IBL FINANCE LIMITED
(ERSTWHILE IBL FINANCE PRIVATE LIMITED)
Surat, Gujarat, India

Dear Sir,

Sub: Statement of possible special tax benefits ("the Statement") available to IBL FINANCE LIMITED (ERSTWHILE IBL FINANCE PRIVATE LIMITED) ("COMPANY") and its Shareholders prepared in accordance with the requirements of the Securities Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended ("the Regulations").

This report is issued in accordance with the Engagement Letter dated 05.04.2023.

We hereby report that the enclosed Annexure I and II prepared by the Company, initialed by us and the Company for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together "the Tax Laws"), presently in force in India as on the signing date, which are defined in Annexure I. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure I & II cover the possible special tax benefits available to the Company and its shareholders but does not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company and is not exhaustive. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional taxes 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 initial public issue of equity shares of the Company comprising a fresh issue of the Equity Shares by the Company.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" (the "Guidance Note") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

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

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

- i) The Company and its shareholders will continue to obtain these possible special tax benefits in future;
or
- ii) The conditions prescribed for availing the possible special tax benefits where applicable, have been/
would be met with.



The contents of enclosed Annexures are based on the information, explanation 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 the Tax Laws 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 the Company and any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Prospectus, and the Prospectus, and in any other material used in connection with the proposed issue. The Statement is not to be used, referred to or distributed for any other purpose without our prior written consent.

Yours faithfully,

For and on behalf of

For VCAS & CO.
Chartered Accountants
FRN: 123372W

SD

CA. Jagdish Vaishnav
M. No. 139060

Place: Surat
Date: 13.07.2023
UDIN:23139060BGTLMW8731



ANNEXURE I

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

Direct Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Income-tax Act, 1961 as amended by Finance Act 2021 i.e., applicable for Financial Year 2022-23 relevant to the Assessment Year 2023-24, Presently in force in India

I. Special tax benefits available to the Company

Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of tax of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified incentives/ deductions or set-off of losses, depreciation etc. and claiming depreciation determined in the prescribed manner. In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

The Company has represented to us that it has applied section 115BAA for the assessment year 2022-23.

II. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
2. The above Statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income Tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2022-23 and Assessment Year 2023-24.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such nonresident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. 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 II

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

Indirect Taxation

Outlined below are the special tax benefits available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017/ Integrated Goods and Services Tax Act, 2017 read with Rules, Circulars, and Notifications-2020

I. Special tax benefits available to the Company

There are no special tax benefits available to the Company under GST law.

II. Special tax benefits available to Shareholders

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax.

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. 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.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. 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.
4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time.

We do not assume responsibility to update the views consequent to such changes.

SECTION V: ABOUT THE COMPANY

INDUSTRY OVERVIEW

Industry publications are prepared based on information as at specific dates and may no longer be current or reflect current trends. The information in this section is also derived from extracts from publicly available information, data and statistics and has been derived from various government publications and industry sources. The information has not been independently verified by us, the Lead Manager, or any of our or their respective affiliates or advisors. The data may have been re-classified by us for the purposes of presentation.

Accordingly, investment decisions should not be based on such information. For additional details, including the disclaimers associated with the Industry Report, see “*Presentation of Financial, Industry and Market Data*” beginning on page 15 of this Draft Prospectus.

INTRODUCTION

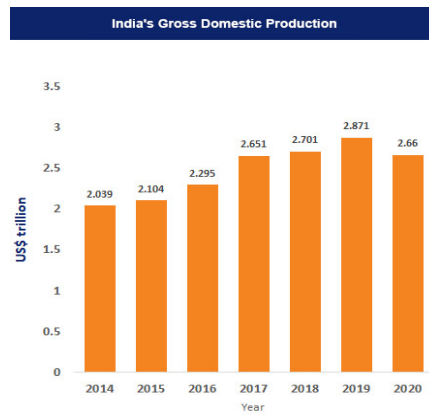
Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating 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.



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 ₹ 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 MFPPs.

- 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>)

INDIA FINANCIAL SERVICES SECTOR

INTRODUCTION

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

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

MARKET SIZE

As of January 2023, AUM managed by the mutual funds industry stood at Rs. 39.62 trillion (US\$ 478.08 billion). Inflow in India's mutual fund schemes via systematic investment plan (SIP) stood at Rs. 1.5 lakh crore (US\$ 18.09 billion). Equity mutual funds registered a net inflow of Rs. 22.16 trillion (US\$ 294.15 billion) by end of December 2021. The net inflows were US\$ 888 million (Rs 7,303.39 crore) in December as compared to a 21-month low of US\$ 274.8 million (Rs 2,258.35 crore) in November 2022.

Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast pace. The total first-year premium of life insurance companies reached US\$ 32.04 billion in FY23. In FY23 (until December 2022) non-life insurance sector premiums reached at Rs. 1.87 lakh crore (US\$ 22.5 billion).

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

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

Leading AMCs in India (as of June 2021)

| Top 5 AMCs in India | AUM (US\$ billion) |
|-----------------------------------|--------------------|
| SBI Mutual Fund | 70.23 |
| HDFC Mutual Fund | 55.97 |
| ICICI Prudential Mutual Fund | 55.93 |
| Aditya Birla Sun Life Mutual Fund | 36.97 |
| Kotak Mahindra Mutual Fund | 33.10 |

INVESTMENTS/DEVELOPMENTS

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

- In November 2022, Unified Payments Interface (UPI) recorded 7.30 billion transactions worth Rs. 12.11 trillion (US\$ 148.63 billion).
- The number of transactions through immediate payment service (IMPS) reached 482.46 million (by volume) and amounted to Rs. 4.66 trillion (US\$ 57.05 billion) in October 2022.
- India's PE/VC investments were at US\$ 77 billion in 2021, which was 62% higher than 2020.
- In 2021, Prosus acquired Indian payments giant BillDesk for US\$ 4.7 billion.
- In September 2021, eight Indian banks announced that they are rolling out—or about to roll out—a system called 'Account Aggregator' to enable consumers to consolidate all their financial data in one place.
- In September 2021, Piramal Group concluded a payment of Rs. 34,250 crore (US\$ 4.7 billion) to acquire Dewan Housing Finance Corporation (DHFL).

GOVERNMENT INITIATIVES

Some of the major Government Initiatives are

- In September 2021, the international branch of the National Payments Corporation of India (NPCI), NPCI International Payments (NIPL), has teamed with Liquid Group, a cross-border digital payments provider, to enable QR-based UPI payments to be accepted in 10 countries in north and southeast Asia.
- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial company - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend approach towards development of sustainable finance hub and provide road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.

ROAD AHEAD

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

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

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

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

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

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

BUSINESS OVERVIEW

Some of the information in this chapter, including information with respect to our plans and strategies, contain forward looking statements that involve risks and uncertainties. You should read “**Forward-Looking Statements**” beginning on page 13 for a discussion of the risks and uncertainties related to those statements and also “**Risk Factors**”, “**Restated Financial Statement**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on pages 2, 143 and 182 respectively of this Draft Prospectus, 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.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Restated Financial Statement” beginning on pages 2, 182 and 143 respectively of this Draft Prospectus. The financial figures used in this section, unless otherwise stated, have been derived from our Company’s restated audited financial statements. Further, all references to “IBL”, ‘the Company’, ‘our Company’ and ‘the Issuer’ and the terms ‘we’, ‘us’ and ‘our’, are to IBL Finance Limited.

BACKGROUND

Our Company was originally incorporated as a private company in the name and style of “IBL Finance Private Limited” under the provisions of Companies Act, 2013 vide Certificate of Incorporation dated August 03, 2017 issued by Registrar of Companies, Ahmedabad bearing Corporate Identification Number U65999GJ2017PTC098565. Our Company was converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the Extra-Ordinary General Meeting held on April 27, 2023 and consequently upon conversion, the name of our Company was changed to “IBL Finance Limited” vide a fresh Certificate of Incorporation dated May 22, 2023, bearing Corporate Identification Number U65999GJ2017PLC098565 issued by the Registrar of Companies, Ahmedabad. For further details, please refer to chapter titled “**History and Certain Corporate Matters**” beginning on page 122 of this Draft Prospectus.

Our Company commenced our lending business to self-employed professional and small business entrepreneurs during the financial year March 31, 2019. Subsequently, from the Fiscal 2020 we migrated to fintech based financial services platform. As a technology-driven fintech company we leverage technology and data-science to make lending quick and easy. Our Company through its a mobile App provides instant personal loans which is almost 100% digital process. We launched our personal loans business to fulfil the needs of the underserved Indian population. Our digital personal loan offering is well-suited to address the needs of the growing digitally connected Indians.

We launched our mobile App based personal loans business under the “IBL: Instant Personal Loan” brand. Under our personal loan lending business, we extend instant personal loans up to ₹50,000 with tenors of up to 12 months through an entirely digital mobile App-only process. Since our launch and up to March 31, 2023, we have disbursed 1,63,282 personal loans amounting to ₹ 7,105.44 lakhs. As of March 31, 2023, our personal loan business had an AUM of ₹ 1461.18 lakhs and we disbursed 1,22,078 personal loans amounting to ₹ 5234.70 lakhs, with an average ticket size of approx. ₹4500. The average tenor of loans which is outstanding at the end of Fiscal 2023 is 5 months.

We believe that our digital lending process is the key differentiators driving business growth. We believe that the process of downloading the IBL: Instant Personal Loan App, completing the entire loan application and receiving the approval in under 5 minutes and disbursement of the proceeds of the loan in their bank account is within 24 hours. Our personal loan are repaid in equal monthly installment basis (“EMI”) over the tenure of the loan.

Our extensive range of ticket sizes and tenors of loans can address a large number of use cases such as: (a) planned personal expenses, e.g., home renovation, travel, high ticket purchases and weddings, (b) emergency medical expenses, and (c) short-term business needs.

To ensure our growth is sustainable and profitable, we place strong focus on both credit quality and pricing. We have been successful in building our underwriting platform that help us aggregate data from different mediums and generate a credit report with over 500 data points. As of March 31, 2023, over 91% of our personal loan customers had Equifax credit scores of above 700.

We adopt an innovative cohort-based approach that segments customers based on a variety of factors including yield, risk, ticket size, and acquisition cost to identify low risk and profitable cohorts. This approach is supplemented with regular customer research and sophisticated data analytics for us to provide tailored products to our customers. We believe that profiling and pricing each borrower is a major driver in creating a profitable lending business.

Key Financial and Operational Metrics

Our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 1330.52 lakhs, ₹ 327.08 lakhs and ₹ 112.59 lakhs, respectively. Our profit before tax for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 274.52 lakhs, ₹ 56.53 lakhs and ₹ (9.27) lakhs, respectively. Our profit for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 192.83 lakhs, ₹ 42.73 lakhs and ₹ (9.88) lakhs, respectively. The following table sets forth certain key operational metrics for the disclosed financial period is:

| Key Metrics | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|--|-------------|-------------|-------------|
| Mobile app: | | | |
| Logins (number) ⁽¹⁾ | 3,81,156 | 84,412 | 12,757 |
| Personal loans: | | | |
| Closing AUM (₹ in lakhs) ⁽²⁾ | 1461.18 | 842.19 | 262.78 |
| Loans disbursed (number) ⁽³⁾ | 1,22,078 | 39967 | 634 |
| Amount disbursed (₹ in lakhs) ⁽⁴⁾ | 5234.70 | 1244.37 | 131.98 |
| Provisions as a percentage of AUM (%) ⁽⁵⁾ | 1.68% | 1.01% | 5.54% |
| Gross NPA (%) ⁽⁶⁾ | 5.19 | 2.48 | 20.15 |
| Net NPA (%) ⁽⁷⁾ ... | 3.94 | 1.87 | 15.75 |
| | | | |

Notes:

- (1) Count of people who have installed the IBL – Instant Persona Loan App and have done mobile number verification via OTP; Count of people who had installed the personal loan IBL – Instant Persona Loan App and done mobile number verification via OTP prior to launch of unified IBL – Instant Persona Loan App.
- (2) Represents the aggregate of principal outstanding for all assets under management for the relevant business as of the last day of the relevant period (after considering the impact of Ind AS, excluding direct assignments).
- (3) Represents the total number of loans disbursed to our customers for the relevant business in the relevant period.
- (4) Represents the aggregate of all loan amounts disbursed to our customers for the relevant business in the relevant period.
- (5) Provisions as a percentage of AUM represents provisions made on all the loan assets in the relevant period as a percentage of our gross AUM for the relevant business as of the last day of the relevant period.
- (6) Represents the closing balance of our Gross NPA to our gross AUM for the relevant business as of the last day of the relevant period.
- (7) Represents the closing balance of our Net NPA to our gross AUM for the relevant business as of the last day of the relevant period.

Our Competitive Strengths

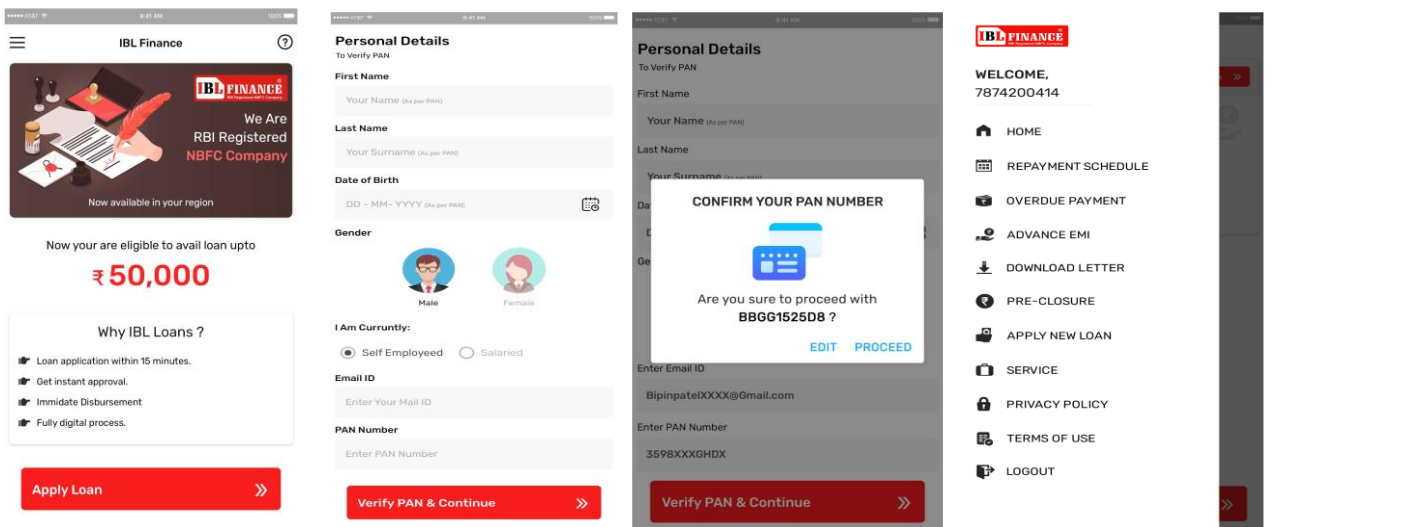
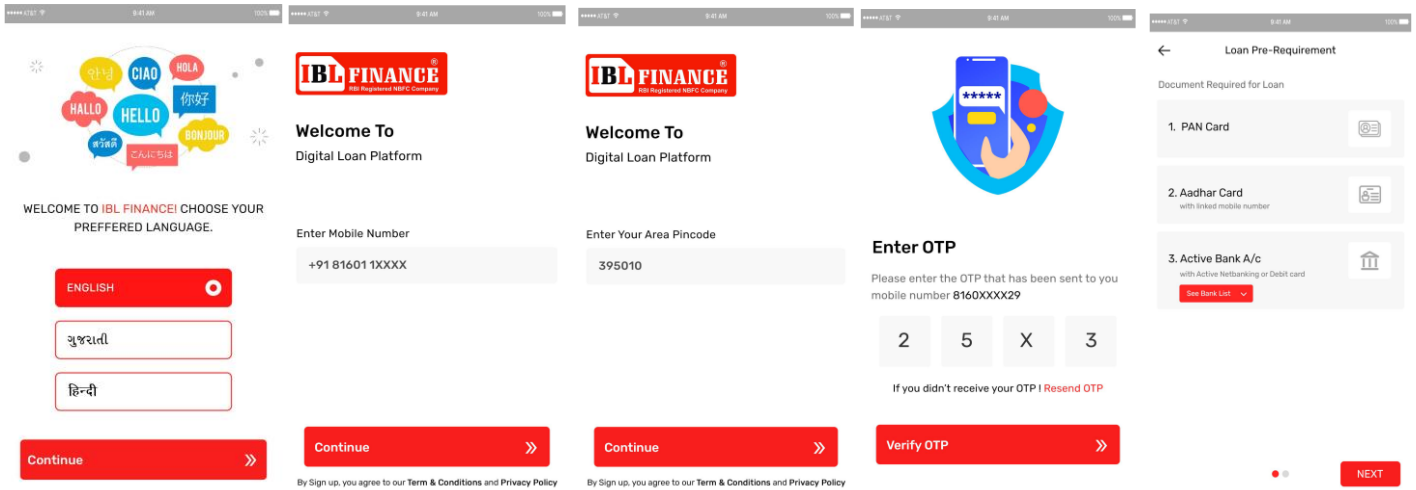
Mobile first approach driving better customer engagement and experience

We operate a mobile-first, app-only model for our personal loans. This model enables us to (a) cater to digitally connected Indians, (b) avoid intermediation and reach customers directly in tier-1 cities and beyond, and (c) offer an unassisted buying journey with one of the lowest turnaround times.

Our mobile-first approach enables us to serve customers in a much quicker time frame. We believe that the TAT for our fastest approval of instant personal loans is under 5 minutes.

We have designed the IBL: Instant Persona Loan App with the aim of making the customer journey seamless, with simple and easy-to-understand products. For our personal loans, the entire process from the loan application and disbursement to repayment is paperless and conducted digitally. During the Fiscal 2023, we had 27,969 average monthly active users (“MAU”) and 3,81,156 total logins, on the IBL: Instant Personal Loan App.

The indicative screenshots depict the typical buying journey for our personal loans on our mobile app:



Risk management, data science and machine learning leveraged operating model

To ensure our growth is sustainable and profitable, we place strong focus on both credit quality and pricing. We have been successful in building advanced data science-driven underwriting algorithms that help us aggregate data from different mediums and generate a credit report with over 500 data points available. We believe this provides us a significant advantage over traditional lenders who, are largely dependent on excessive paperwork and manual evaluation which can be tedious and time-consuming. We believe that a large portion of the Indian population have no access to the formal credit system because of low or no credit history. We utilise artificial intelligence and machine learning to go beyond using only credit scores as a method of underwriting. Our models incorporate more than 500 variables and learn from a rapidly growing training dataset. The information used for underwriting includes data provided by the user (such as name, date of birth, KYC documents, pin code, employment details, demographic details such as, education, source of income, marital status, etc.), data we directly collect with the consent of the user (device details and transaction history), and data sourced from other sources (such as credit bureaus, analytics providers and business partners.). This is vital in making credit accessible to a larger audience.

Our systems are able to identify unique users, track their journeys, record their behavior and report on the IBL: Insta Personal Loan App’s performance. This data has been vital in our marketing, sales and product management functions, allowing us to make more informed decisions when determining pricing, customizing products and improving customer experience.

We have developed a robust cohort-based collections model to efficiently follow-up and recover dues that are outstanding. Our collections capability comprises digital reminders and follow-ups for payments, tele-calling and on-ground collection management. Allocation of delinquent loans to these channels is driven by back-end analytics and payment behavior scorecards to maximize on overall debt management efficiencies.

Stable and experienced management team

We believe that the long-standing industry experience of our Promoters and our management team provides us with an understanding of the needs and behaviour of the clients particularly in rural and semi-urban Areas, the nuances of lending to these clients and issues

specific to the NBFC industry in India. We believe that this expertise gives us a competitive advantage in this industry and has helped us in maintaining our resilience through industry cycles including covid period.

We have a strong, experienced and dedicated management team, including KMPs with significant industry experience and who have demonstrated their ability to deliver growth and profitability, across business cycles. Our Key Managerial Personnel includes a combination of management executives and independent members who bring in significant business experience, which positions us well to capitalize on future growth opportunities. Each of them have extensive experience in the banking or related industry such as finance, commercial operations, strategy, audit, business development, human resources, compliance and public relations.

Improved financial performance

Our revenue from operations for the Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively was ₹ 1330.52 lakhs, ₹ 327.08 lakhs and ₹ 112.59 lakhs, respectively. Our profit before tax for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 274.52 lakhs, ₹ 56.53 lakhs and ₹ (9.27) lakhs, respectively. Our profit for the Fiscal 2023, Fiscal 2022 and Fiscal 2021 was ₹ 192.83 lakhs, ₹ 42.73 lakhs and ₹ (9.88) lakhs, respectively.

Our Strategies

Grow existing lines of business by further enhancing our capabilities

We are committed to growing our existing product lines by attracting new users and driving engagement from existing customers through a continuously improving user experience on the IBL: Insta Personal Loan App and by providing tailored services that integrate with our existing offerings.

We plan to do this through the following initiatives:

- Further enhance our product proposition: We will continue to monitor customer sentiment, usage behaviour and customer actions to further enhance our view on customer needs and pain-points. This better understanding will enable us to enhance the attractiveness of our products for customers.
- Making customer journeys more seamless/straight through: We will focus on reducing TAT and making the process more streamlined by improving our operating model.

Eliminating external operational dependencies: We have identified external customer experience-related dependencies and we are building capabilities to eliminate such dependencies. This will enable us to offer an end-to-end integrated customer journey which will help us improve customer experience and reduce costs.

Continued investment in technology and data science capabilities

We have made significant investments in our technology infrastructure, machine learning models and data analytics capabilities to strengthen our offerings and customer experience. Going forward, we plan to continue to develop and invest in sophisticated technology to further strengthen our technology infrastructure. Further, we will continue to focus on hiring and retaining strong technology talent.

We will continue to strengthen our microservices technology architecture, an organisational software development approach that utilises a collection of small autonomous services, to make the IBL: Insta Personal Loan App more agile and scalable. For example, we have been able to roll-out innovative features such as flexible EMI dates for personal loans because of our product development skills. Our long-term approach towards building in-house technology is expected to enable us to grow while keeping costs non-linear.

We expect the introduce and over a time expects the accuracy of our machine learning models to improve as we scale-up and capture more customer data. This will enable us to improve our understanding of customers and maintain asset quality by accurately identifying credit-worthy customers.

Deepen, strengthen, and expand geographical Presence

We strive to be a low-cost, lean, and efficient digital lending Company having presence currently in two states that leverages technology and our existing distribution network to channel our products and services. Currently we operate through our registered office located at Surat, Gujarat and our digital presence is around 8 states in India. We plan to further grow our business operations by mining deeper and attracting new customers in our existing markets that remain relatively untapped as well as by entering new regions PAN India where borrowers are underserved and there is lower penetration by finance companies. We have diversified into on-line/off-line model by setting up our branches which provide us the flexibility to increase our loan size. As on the date of this Draft Prospectus we have around 7 branches across major cities in the state of Gujarat and Maharashtra. We believe that our diversified presence and our approach of building the branch network with largely Tier I, Tier II and Tier III city focused comprehensive end-to-end customer life cycle management framework through technology, proven risk management policies, governance, and robust operating platform provide us with significant competitive advantages in carrying out our expansion plans. We believe that our existing customers serve as a foundation of our future growth and seek to prioritize their requirements and customize our offerings to provide them with optimal solutions at their doorstep.

In addition, we would seek to establish new branches in areas that are adjacent states to our existing markets, or which may have similar customer demographics and financing needs. In selecting a new business location, we utilize our well-tested area selection analysis which involves a systematic methodology that considers various key parameters such as demand for credit in the area, income levels and literacy rate of the local population, competition and market potential, economic status of the region including accessibility of internet and mobile connectivity and post offices, road access, and connectivity to important locations such as banks, schools and hospitals, as well as political, socio-economic, regulatory and other risks. We believe this allows us to identify markets where we can most easily replicate our business models.

Enhance our Brand Recall to Attract New Customers

We believe that having a strong recognizable brand is a key attribute in our business, which will help us attract and retain customers, increases customer confidence and influences purchase decisions. Having a strong and recognizable brand will also assist us in recruiting and retaining employees. We intend to continue to undertake initiatives to increase the strength and recall of our 'IBL: Instant Personal Loan' app brand to attract new customers. We seek to build our brand by engaging with existing and potential customers' through customer literacy programs, sponsor popular events in the regions we operate and advertise in newspapers, hoardings and in other advertising media. We generally undertake digital marketing initiatives to create brand awareness of our mobile app and our product offerings.

Leverage our Network, Domain Expertise and Data to Enhance Product Offering

We plan to continue to focus on personal loan offerings and increase our presence in the space. We would also introduce new loan offering for small business owners, self-employed individuals, Two-wheeler loans and B-2-B loans. While we intend to continue to focus on our core business of providing financing service, we believe additional products and cross-selling opportunities would also help strengthen our relationship with our customers and enable higher customer retention. We plan to leverage our large branch network and deep understanding of semi-urban customers, as well as harness the scale and loyalty of our customer base that we have built throughout urban and semi-urban India, to offer additional financing products to existing customers who have a positive track record of loan repayment. We expect to derive benefits from economies of scale as there is limited incremental sourcing cost for existing customers, and they are eligible to borrow higher loan amounts from us since they have progressed to higher loan cycles. We believe this strategy serves as an effective mitigation mechanism from potential interest rate volatility and would contribute to our profitability.

We seek to develop new product adjacencies based on the needs of our customers and that complement our existing loan categories. We believe that our large customer base provides significant opportunities from increased cross-selling and up-selling of products and services. We plan to continue utilizing our distribution channel to provide other financial products and services under the finance umbrella to our customers with good credit histories such as for the purchase of livelihood and productivity enhancing products including mobile handsets, bicycles and kitchen appliances.

Our Co-lending arrangements

With the capitalisation of the Company from the current Issue, we would enter into Co-lending agreements with other financial institutions, which we believe would enable us wider access to the credit market in priority sector.

Description of Our Business

Since our incorporation, we have been focused on our lending business. We changed our business model from a traditional money lender to self-employed professional and small business entrepreneurs into a Fintech company with focus on personal loan offering

under our  brand.

We follow an "app-only" model for our personal loan products. We leverage our technology to make the customer journey seamless, with simple and easy-to-understand products on the IBL: Instant Personal Loan App. We plan to continue developing the IBL: Instant Personal Loan App into an integrated "multi-product" platform where we can provide a holistic experience to our customers across all our core businesses. We believe this approach will provide us with greater synergies and cross-sell opportunities, allowing us to recommend suitable products to our customers. During the Fiscal 2023, we had 3,81,156 logins and 27,969 average MAUs on the IBL: Instant Personal Loan App.

Product offerings and target customers

Personal loans are our key financial product offerings. We offer personal loans up to ₹50,000 with tenors of up to 12 months. The annual interest rates we charge on the loans disbursed during the Fiscal 2023 over 18%.

Since our launch up to March 31, 2023, we disbursed 1,63,282 loans amounting to ₹ 7105.44 lakhs. As of March 31, 2023, our AUM is ₹ 1461.18 lakhs, and during the Fiscal 2023, we disbursed 1,22,078 loans amounting to ₹ 5234.70 lakhs.

Our target segment is the young, digitally connected, middle-class and lower middle-class population in India. With our extensive range of ticket sizes and tenors, we are able to address a large number of use cases such as: (a) planned personal expenses, e.g., home renovation, travel, high ticket purchases and weddings, (b) emergency medical expenses, and (c) short-term business needs.

Customer acquisition

We acquire our customers through a combination of direct digital marketing and tele-marketing channels such as SMS and emails. As of March 31, 2023, 70% of our customers were first time personal loan borrowers and 12% of our personal loan customers are repeat customers.

Customer journey

We extend unsecured personal loans to individuals through a completely digital process on the IBL: Instant Personal Loan App. The entire customer journey for our personal loans business, including the application, disbursement and collections process is paperless. To avail a loan on the IBL: Instant Personal Loan App, the customer will electronically input their particulars including identification, work/income and other details as requested, following which they are provided approval for a maximum loan amount and tenor. After selecting the loan and EMI amount, the customer will provide their bank account details for disbursement of the loan along with other details required for KYC verification (such as proof of address, a selfie photo and contact details), and then set up auto-payment for the EMIs.

Underwriting capabilities

We have developed various technological capabilities including data models for underwriting. Our artificial intelligence-based underwriting models incorporate more than 500 variables, allowing our systems to identify unique users, track their journeys, record their behaviours and report on the IBL: Instant Personal Loan App's performance.

One of the key eligibility criteria for approving a customer's loan is the customer's repayment capacity, which is determined by factors such as the customer's age, stability and continuity of income, place of residence, geolocation, existing financial obligations, estimated living expenses. During the loan application process, our systems use a combination of automated techniques to process signals based on information provided by the customer and concurrently processes their bureau information.

We adopt an innovative cohort-based approach that segments customers based on a variety of factors including yield, risk and ticket size to identify low risk and profitable cohorts. This approach is supplemented with regular customer research and sophisticated data analytics for us to provide tailored products to our customers.

For the personal loan disbursed and outstanding as on March 31, 2023, over 91% of our personal loan customers had Equifax scores greater than 700 and over 74% had Equifax credit scores greater than 725, which we believe demonstrates a low-risk, high-quality customer profile.

Collection capabilities

We use intelligent digital collections, which allows us to classify customers into different buckets based on ease of collections and calibrate our collection efforts accordingly. Our collection infrastructure enables us to follow-up and recover dues that are outstanding. This collections capability comprises digital reminders and follow-ups for payments, collection tele-calling and outsourced field recovery capabilities. Allocation of delinquent loans to these channels is driven by back-end analytics and payment behaviour scorecards to maximize on overall debt management efficiencies. Our digital collections processes are further supplemented by 48 in-house tele-callers as well as a specialized field collection team for non-contactable cases and/or later delinquency buckets.

The following table summarizes our collection processes based on the delinquency status of a personal loan:

| Delinquency bucket | Our collection action plan |
|------------------------------------|---|
| Bucket 1: 0-29 days past due (DPD) | <ul style="list-style-type: none"> • Digital collections; nudges / reminders • 48+ in-house tele-callers • Field support on non-contactable cases • Customer-wise default probability prediction algorithms |
| Bucket 2: PAR 30 to 89 | <ul style="list-style-type: none"> • 48+ in-house tele-callers • Field support on non-contactable cases • On-roll managers work with field agencies to visit borrowers • Equifax trigger alerts and legal actions are initiated (wherever relevant) |
| Bucket 3: PAR >90 | <ul style="list-style-type: none"> • Field visits • Defined settlement policy • Skip tracing for non-contactable customers |

Fraud prevention and detection

We manage fraud risk through prevention and detection. We address fraud prevention through fraud detection models that look for outlier signals in data and behaviours as triggers for fraud prevention. We continuously analyse our loan portfolio to identify emerging patterns and modus operandi which are fed back as prevention rules to improve our model. We have built an in-house fraud detection rule engine for early detection of fraud claims.

Utilising multiple data sources and anti-fraud technologies such as face recognition and geotagging, our risk management machine learning systems can discover previously unidentified factors that indicate delinquency and potential fraud cases. Early detection of fraud claims improves the customer experience through quicker turnaround times for genuine customers. We are constantly improving the robustness of this fraud detection model by updating the model with internal and external data sources.

Competition

We face competition in India from various players such as traditional lending Fintech companies, NBFC and also banks. For our personal loan businesses, we generally compete on the basis of the product offerings, ability to customize products, turnaround time and efficient loan process, ticket sizes, price, reputation and customer relationships. We face our most significant organised competition from fintech companies, micro finance company and other NBFCs, as well as from certain banks in India.

Capital Adequacy Ratio

Our Company is subject to capital adequacy requirements set out by the RBI for NBFCs. The following table sets forth our Company's capital adequacy ratios as of the dates indicated.

(₹ in lakhs except percentages)

| Particulars | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|-------------|-------------|-------------|
| Total assets | 2218.11 | 1022.85 | 339.10 |
| Tier I Capital | 2048.74 | 355.47 | 312.73 |
| Tier II Capital | 0.00 | 0.00 | 0.00 |
| Total Capital | 2048.74 | 355.47 | 312.73 |
| Risk Weighted Assets | 1784.62 | 880.09 | 282.46 |
| Capital Adequacy Ratio (%) (CRAR) | 114.80% | 40.39% | 110.72% |
| CRAR - Tier I Capital (%) | 114.80% | 40.39% | 110.72% |
| CRAR - Tier II Capital (%) | 0.00 | 0.00 | 0.00 |
| Total Borrowings ⁽¹⁾ to Tangible Equity ⁽²⁾ ratio | 0.00 | 1.82 | 0.00 |

(1) Total Borrowings represents the aggregate of debt securities, borrowings (other than debt securities) and collateralised borrowing principal outstanding as of the last day of the relevant period.

(2) Total Tangible Equity represents the aggregate of Equity share capital and Other equity balance less goodwill as of the last day of the relevant period.

(3) Total Borrowings to Equity ratio represents Total Borrowings as of the last day of the relevant period upon total equity as of the last day of the relevant period.

Provisioning Policy

Our audit committee has approved a policy for making provisions against loans in default that is consistent with provisions prescribed by the RBI, as applicable to our Company.

Information Technology and Data Security

Our business is technology-driven and underpinned by our in-house tech expertise, culture of application-led innovation, data analytics capabilities and our integrated, scalable and sophisticated technology platform that is capable of delivering and managing a wide range of products. We are continuously innovating to enhance our value proposition as we believe that IT is pivotal to providing a seamless experience for our customers.

The IBL: Instant Personal Loan App is our core front-end platform through which we have digitized a large portion of the customer journey. Currently, products are offered through the IBL: Instant Personal Loan App, and we plan to continue developing the IBL: Instant Personal Loan App into an integrated “multi-product app” platform where we can provide a holistic experience to our customers across all our core business lines. We believe that an integrated “multiproduct” app will provide us with greater synergies and cross-sell opportunities, allowing us to recommend relevant products to our customers based on data gathered.

In addition to this, we have developed a set of other platforms and technology-driven capabilities to support our operations. We implement process automation across various functions in an effort to reduce manual processes, increase efficiency and reduce errors. These capabilities are powered by a robust IT architecture, which helps in the creation of new services and integration between applications internally, as well as with external systems. Our in-house technology development comprises customer facing portals, loan management and accounting capabilities that enable high transaction volumes, in-house underwriting engines running on artificial intelligence and machine learning models, a self-developed policy engine which fuels our insurance products, fraud risk management capabilities for fraud prevention and detection, and multiple process automation workflows to enable efficient backend operations. All these technology platforms and capabilities are deployed on robust and resilient cloud infrastructure which is secured and scalable. We leverage our technology initiatives for period, often fortnightly, upgrades of the IBL: Instant Personal Loan App as well to ensure a high uptime. From a business operations perspective, our back-end systems and processes are also technology based and integrated with our customer facing technology. As we develop our own technology, we have minimal reliance on third parties, offering us cost efficiencies, speed and flexibility.

We utilise cloud-based infrastructure to host our customer facing applications and enterprise infrastructure for all end user computer requirements. All our customer facing critical infrastructure is hosted on the cloud and supported by on-demand, auto-scaling infrastructure. Our systems can ensure that all traffic is inspected for any malicious payloads and then forwarded to the applications servers if clean. The auto-scaling methodology responds to the demands of the traffic and automatically commissions new servers in case there is an increase in the load. This manages sudden surges in traffic, and our team routinely monitors the availability and performance of the critical servers.

We seek to implement best practices for data protection through a holistic combination of people, processes and technology. We have established a dedicated information security team with specializations in product security, cloud Security and IT Security, which is responsible for data security and privacy.

We also rely on certain third-party service providers in relation to the sourcing of data for potential customers. We have certain vendors who provide, among others, SMS scraping services, PAN verification with the NSDL, and Aadhaar XML download from the UIDAI.

Customers

Our customers for our vehicle finance businesses are mainly individuals whom we acquired through channels such as our sales team, other third-party intermediaries, referrals by existing customers, employee referrals and through advertisements. Our customers for our small business lending business are small and medium sized enterprises, including traders, wholesalers, distributors, retailers, self-employed professionals and small manufacturing companies.

Cash Management Risk

Our offices collect and deposit a large amount of cash through a high volume of small transactions taking place in our network. To address cash management risks, we have developed advanced cash management checks that we employ at every level to track and tally accounts. Moreover, we conduct regular audits to ensure high levels of compliance with our cash management systems.

Corporate Social Responsibility

We have undertaken CSR initiatives in several areas including supporting sanitation, empowering women through skills development and providing education to students from economically disadvantaged backgrounds. For details of our CSR activities please see chapter “*Restated Financial Statements*” beginning on page 143.

ENVIRONMENT, HEALTH AND SAFETY MEASURES

We conduct our operations in a safe, secure and environmentally sound manner. Conservation of natural resources by operating in a resource efficient manner, use of personal protective equipment’s, training the employees to work in a safe manner by avoiding injuries, are integral components of our operational module.

COLLABORATIONS/TIE UPS/JOINT VENTURES

Our Company has not entered into any Collaborations/ Tie-Ups/ Joint Ventures as on the date of this Draft Prospectus.

HUMAN RESOURCES

We place importance on developing our human resources. We focus on attracting and retaining the best possible talent. Our business model comprises of experienced, qualified and semi qualified personnel. As on the date of this Draft Prospectus, our Company has 96 employees in total. Our work processes and skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans. Further, the company does employ workers on contract basis.

Following is the Department wise employees list: -

| Sr. No. | Department | No. of Employees |
|--------------|------------------------|------------------|
| 1 | Management | 5 |
| 2 | Administration | 6 |
| 3 | Collection | 72 |
| 4 | Credit | 4 |
| 5 | Customer support | 2 |
| 6 | Finance and Compliance | 4 |
| 7 | IT | 2 |
| 8 | Human resources | 1 |
| TOTAL | | 96 |

INSURANCE

As on date of this Draft Prospectus, the Company has not availed any insurance policy.

OUR PROPERTIES

Immovable Properties

We own and lease certain properties for our corporate operations and office. The brief details of some of the material properties owned/leased by our Company, as on the date of this Draft Prospectus are set out below:


| Sr. No | Details of the Property | Area in Square Feet | Date of Agreement | Owner/ Lessor | Name of the Lessor | Consideration (₹) | Lease Rent (₹) | Purpose Used |
|--------|---|---------------------|-------------------|---------------|--------------------|-------------------|----------------|-----------------------|
| 1. | Office No.151, Silver Stone Arcade, Nr. Kantheriya Hanuman Temple, Singanpore, Causway Road Surat, Gujarat, India, 395004 | 417 Sq. Ft. | January 23, 2023 | Lessee | Manish Patel | N.A. | ₹ 20,000 p.m. | Registered Office |
| 2. | 1 st floor, 1001 World Trade Centre, Ring Road, Udhna Darwaja, Surat. | 1800 Sq. Ft. | March 31, 2023 | Licensee | Seema Kapoor | N.A. | ₹ 56,700 p.m. | Administrative Office |
| 3. | 1 st floor, 1026, World Trade Centre, Ring Road, Udhna Darwaja, Surat. | 450 Sq. Ft. | January 10, 2023 | Licensee | Mukesh Mavani | N.A. | ₹ 15,000 p.m. | Administrative Office |
| 4. | 1 st floor, 1027, World Trade Centre, Ring Road, Udhna Darwaja, Surat. | 450 Sq. Ft. | January 10, 2023 | Licensee | Mukeshbhai Patel | N.A. | ₹ 15,000 p.m. | Administrative Office |
| 5. | 1 st floor, 1028, World Trade Centre, Ring Road, Udhna Darwaja, Surat. | 450 Sq. Ft. | January 10, 2023 | Licensee | Vilasben Mavani | N.A. | ₹ 15,000 p.m. | Administrative Office |

| Sr. No | Details of the Property | Area in Square Feet | Date of Agreement | Owner/ Lessor | Name of the Lessor | Consideration (₹) | Lease Rent (₹) | Purpose Used |
|--------|--|---------------------|-------------------|---------------|---|-------------------|-----------------|-----------------------|
| 6. | 4 th Floor, Shop-4027. World Trade Centre. Ring Road. Surat. | 915 sq. ft. | April 03, 2023 | Licensee | Niharika Maheshwari | N.A. | ₹ 29,000 p.m. | Administrative Office |
| 7. | Shop/Office Unit No. 210, Second Floor, In Block No. B, "Sun West Bank", (Shekhpur Khanpur Sim), Opposite Vallabh Sadan, Near Natraj cinema. Ashram Road, Ahmedabad-380009, Gujarat. | 320 sq. ft. | June 12, 2023 | Licensee | Qureshi Sanya | N.A. | ₹ 45,000 p.m. | Branch Office |
| 8. | Kuber Avenue Office, No.312, Third Floor, Gurudwara Chokdi, Jamnagar | 350 sq. ft. | June 19, 2023 | Licensee | Kantilal Ratilal Raiththa | N.A. | ₹ 20,000 p.m. | Branch Office |
| 9. | Office No. 501, 5 th Floor, The Summit Business Bay, Behind Gurunanak Petrol Pump, Off Andheri Kurla Road, Andheri East, Mumbai 400093 | 2450 sq. ft. | May 12, 2023 | Licensee | Pravin Vrajlal Mody HUF | N.A. | ₹ 3,40,000 p.a. | Branch Office |
| 10. | RK World Tower, Office No. 337, Shital Park Chowk, 150 feet ring road, Rajkot. | 400 sq. ft. | May 31, 2023 | Licensee | Jitendra Hareshbhai Gohil & Jalpaben Jitendrabhai Gohil | N.A. | ₹22,000 p.m. | Branch Office |
| 11. | Office: 403, The Park, Akshar Chowk, Vadodara-390020 | 435 sq. ft. | June 23, 2023 | Lessee | Jitendra Pohumal Mirani | N.A. | ₹ 21,000 p.m. | Branch Office |
| 12. | Office: 302, Corporate Center, Waghawadi Road, Bhavnagar- 364002 | 550 sq. ft. | June 10, 2023 | Licensee | Rupal Tusharbhai Shah | N.A. | ₹ 19,000 p.m. | Branch Office |
| 13. | Office: 7-8, Shree Laxmi palace, Zanzarda road, Junagadh-362001 | 600 sq. ft. | June 09, 2023 | Licensee | Vaishali Prakash Babar | N.A. | ₹ 15,000 p.m. | Branch Office |

Intellectual Property

We are a technology-driven financial products and services company in India focusing on the digitally connected young middle-class population of India. We regard our proprietary domain names, trademarks, patents, trade secrets and other intellectual property as critical to our business operations. We rely on a combination of patents, trademarks, trade secret laws and restrictions on disclosure to protect our intellectual property. Our success and ability to compete depend in part upon our ability to protect our technology and to establish and adequately protect our intellectual property rights.

As on the date of this Draft Prospectus, our Company has obtained registration and/or made applications for the registration of the following trademark with Trademark Registry, Government of India.

| Sr. No | Brand Name/ Logo Trademark | Class | Nature of Trademark | Applicant | Application No. & Date | Status |
|--------|---|-------|---------------------|-----------------------------|------------------------------|------------|
| 1 |  | 36 | DEVICE | IBL Finance Private Limited | 3782336 dated March 19, 2018 | Registered |

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws and regulations in India, which are applicable to our Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of the Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Taxation statutes such as the IT Act, GST laws (including CGST, SGST and IGST) and applicable local sales tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Provisions, Act, 1952, and other miscellaneous regulations such as the Trade Marks Act, 1999 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below.

The major regulations governing our Company are detailed below:

We are a Non-Systematically Important, Non-Deposit taking (which does not accept public deposits), NBFC (“NBFC-NSI-ND”). As such, our business activities are regulated by RBI Regulations applicable to non-public deposit accepting NBFCs.

As at December 29, 2022, the RBI issued an updated *Master Direction - Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* (as updated from time to time).

REGULATIONS GOVERNING NBFCs

A. THE RESERVE BANK OF INDIA ACT, AS AMENDED (THE “RBI” ACT)

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

As per prescribed law any company that carries on the business of a non -banking financial institution as its ‘principal business’ is to be treated as an NBFC. The term ‘principal business’ has not been defined in any statute; however, RBI has clarified through a press release (Ref. No. 1998-99/1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income pattern as evidenced from the last audited balance sheet of the company to decide a company’s principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company.

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case, not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Master Direction – Non-Banking Financial Company – Non- Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, Peer to Peer Lending Platform

(Reserve Bank) Directions, 2017 (“Peer to Peer Regulations”) and Reserve Bank Commercial Paper Directions, 2017 (“Commercial Papers Directions”). In addition to these regulations, NBFCs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Although by definition, NBFCs are permitted to operate in similar sphere of activities as banks, there are a few important and key differences. The most important distinctions are:

- i. An NBFC cannot accept deposits repayable on demand – in other words, NBFCs can only accept fixed term deposits. Thus, NBFCs are not permitted to issue negotiable instruments, such as cheques which are payable on demand; and
- ii. NBFCs are not allowed to deal in foreign exchange, even if they specifically apply to the RBI for approval in this regard, unless they have received an Authorised Dealer Category II licence from the RBI.

Types of NBFCs

Section 45-IA of the RBI Act makes it mandatory for every NBFC to get itself registered with the Reserve Bank in order to be able to commence any of the aforementioned activities.

Further, an NBFC may be registered as a deposit accepting NBFC (“NBFC-D”) or as a non-deposit accepting NBFC (“NBFC-ND”). NBFCs registered with RBI are further classified as:

- i. Asset finance companies;

- ii. Investment and Credit Companies;
- iii. Systemically Important Core Investment Company;
- iv. Loan companies;
- v. Infrastructure finance companies;
- vi. Infrastructure debt fund - NBFCs;
- vii. NBFC - micro finance institutions;
- viii. NBFC –Factors;
- ix. Mortgage guarantee companies;
- x. NBFC- non-operative financial holding company; and
- xi. Non-Banking Financial Company-Peer to Peer Lending Platform.

Our Company has been classified as a NBFC-Investment and Credit Company-Non-Deposit Taking-Non-Systematic Important (NBFC-ICC-ND-NSI).

1. Regulatory Requirements of an NBFC under the RBI Act:

Net Owned Fund

Section 45-IA of the RBI Act provides that to carry on the business of a NBFC, an entity would have to register as an NBFC with the RBI and would be required to have a minimum net owned fund of ₹ 200 lakh. For this purpose, the RBI Act has defined “net owned fund” to mean:

Net Owned Fund - The aggregate of the paid-up equity capital and free reserves as disclosed in the latest balance sheet of the company, after deducting (i) accumulated balance of losses, (ii) deferred revenue expenditure, (iii) deferred tax asset (net); and (iv) other intangible assets; and further reduced by the amounts representing:

- i. investment by such companies in shares of (i) its subsidiaries, (ii) companies in the same group, (iii) other NBFCs; and
- ii. the book value of debentures, bonds, outstanding loans and advances (including hire purchase and lease finance) made to, and deposits with (i) subsidiaries of such companies; and (ii) companies in the same group, to the extent such amount exceeds 10 per cent of (a) above.

Reserve Fund

In addition to the above, Section 45-IC of the RBI Act requires NBFCs to create a reserve fund and transfer therein a sum of not less than 20% of its net profits earned annually before declaration of dividend. Such a fund is to be created by every NBFC irrespective of whether it is a ND NBFC or not. Such sum cannot be appropriated by the NBFC except for the purpose as may be specified by the RBI from time to time and every such appropriation is required to be reported to the RBI within 21 days from the date of such appropriation.

Maintenance of liquid assets

The RBI through notification dated January 31, 1998, as amended has prescribed that every NBFC shall invest and continue to invest in unencumbered approved securities valued at a price not exceeding the current market price of such securities an amount which shall, at the close of business on any day be not less than 10% in approved securities and the remaining in unencumbered term deposits in any scheduled commercial bank; the aggregate of which shall not be less than 15% of the public deposit outstanding at the last working day of the second preceding quarter.

NBFCs such as our Company, which do not accept public deposits, are subject to lesser degree of regulation as compared to a NBFC-D and are governed by the RBI’s Master Directions.

An NBFC-ND is required to inform the RBI of any change in the address, telephone no’s, etc. of its Registered Office, names and addresses of its directors/auditors, names and designations of its principal officers, the specimen signatures of its authorised signatories, within one month from the occurrence of such an event. Further, an NBFC-ND would need to ensure that its registration with the RBI remains current.

All NBFCs (whether accepting public deposits or not) having an asset base of ₹ 10,000 lakhs or more or holding public deposits of ₹ 2,000 lakhs or more (irrespective of asset size) as per their last audited balance sheet are required to comply with the RBI Guidelines for an Asset-Liability Management System.

Similarly, all NBFCs are required to comply with “Know Your Customer Guidelines - Anti Money Laundering Standards” issued by the RBI, with suitable modifications depending upon the activity undertaken by the NBFC concerned.

NBFCs shall constitute grievance redressal machinery as contained in RBI's circular on Grievance Redressal Mechanism, vide DNBS. CC. PD. No. 320/03.10. 01/2012-13 dated February 18, 2013 which states that at the operational level, all NBFCs shall display the name and contact details of the grievance redressal officer prominently at their branches/ places where business is transacted. The designated officer shall ensure that genuine grievances of customers are redressed promptly without involving any delay. It shall be clearly indicated that NBFCs' grievance redressal machinery shall also deal with the issue relating to services provided by the outsourced agency. Generally, a time limit of 30 (thirty) days may be given to the customers for preferring their complaints/ grievances. The grievance redressal procedure of the NBFC and the time frame fixed for responding to the complaints shall be placed on the NBFC's website.

2. Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 (“Master Directions”):

The RBI in its Master Directions revised the threshold for defining systemic significance for NBFCs-ND in the light of the overall increase in the growth of the NBFC sector. NBFCs-ND-NSI will henceforth be those NBFCs-ND which have asset size of below ₹ 500 crores as per the last audited balance sheet.

Applicability

The Master Directions are applicable to the following categories of NBFCs (“Applicable NBFCs”)

- a. Every NBFC not accepting/ holding public deposits which is not systemically important (as defined in paragraph 3(xxix) of the Non-Banking Financial Company – Non- Systematically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016;
- b. every NBFC– Factor (NBFC-Factor) registered with the Bank under section 3 of the Factoring Regulation Act, 2011 and having an asset size of below ₹500 crore;
- c. every NBFC– Micro Finance Institution (NBFC-MFI) registered with the Bank under the provisions of Reserve Bank of India Act, 1934 (RBI Act) and having an asset size of below ₹500 crore;
- d. every NBFC - Infrastructure Finance Company (NBFC-IFC) registered with the Bank under the provisions of RBI Act, 1934 and having an asset size of below ₹ 500 crore.

Loan-to-value guidelines

The RBI vide the Master Directions, directed all NBFCs to: (i) maintain a loan-to-value ratio not exceeding 75% for loans granted against the collateral of gold jewellery and; (ii) disclose in their balance sheet the percentage of such loans to their total assets.

Further, NBFC's are also required to not grant any advance against bullion / primary gold, gold bullion, gold jewellery, gold coins, units of Exchange Traded Funds (ETF) and units of gold mutual fund. NBFCs primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets) are required to maintain a minimum Tier I capital of 12.00%.

Rating of NBFCs

Pursuant to the RBI Master Directions, all NBFCs with an asset size of ₹ 100 crore and above are required to, as per RBI instructions to, furnish information about downgrading or upgrading of the assigned rating of any financial product issued by them within 15 days of a change in rating.

Prudential Norms

The Master Directions amongst other requirements prescribe guidelines on NBFC-ND regarding income recognition, asset classification, provisioning requirements, constitution of audit committee, capital adequacy requirements, concentration of credit/ investment and norms relating to infrastructure loans. Further the concentration of credit/ investment norms shall not apply to a non-systemically important non-banking financial company not accessing public funds in India, either directly or indirectly, and not issuing guarantees.

Standard Asset Provisioning Requirements

An NBFC-ND-NSI, after taking into account the time lag between an account becoming non-performing, its recognition, the realisation of the security and erosion overtime in the value of the security charged, shall make provisions against sub - standard assets, doubtful assets and loss assets in the manner provided for in the Master Directions.

In the interests of counter cyclical and so as to ensure that NBFCs create a financial buffer to protect them from the effect of economic downturns, RBI vide their circular no. DNBS.PD.CC. No.207/ 03.02.002 /2010-11 dated January 17, 2011, introduced provisioning for Standard Assets by all NBFCs. NBFCs are required to make a general provision at 0.25 per cent of the outstanding standard assets. RBI vide their circular no. DNBR (PD) CC No. 037/03.01.001/2014-15 dated June 11, 2015 raised the provision for standard assets to 0.40 per cent to be met by March 2018. The provisions on standard assets are not reckoned for arriving at Net

NPAs. The provisions towards Standard Assets are not needed to be netted from gross advances but shown separately as 'Contingent Provisions against Standard Assets' in the balance sheet. NBFCs are allowed to include the 'General Provisions on Standard Assets' in Tier II Capital which together with other 'general provisions/ loss reserves' will be admitted as Tier II Capital only up to a maximum of 1.25 per cent of the total risk-weighted assets.

Leverage Ratio Norms

An NBFC-ND-NSI shall maintain a leverage ratio of not more than 7 after March 31, 2015. Further, NBFCs which are primarily engaged in lending against gold jewellery (such loans comprising of 50 percent or more of their financial assets) shall maintain a minimum tier I capital of 12 per cent.

Asset Classification

The Masters Directions require that every NBFC shall, after taking into account the degree of well-defined credit weaknesses and extent of dependence on collateral security for realisation, classify its lease/hire purchase assets, loans and advances and any other forms of credit into the following classes:

Standard asset shall mean the asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem or carry more than normal risk attached to the business;

Sub-standard asset shall mean:

- a. an asset which has been classified as non-performing asset for a period not exceeding 18 months;
- b. an asset where the terms of the agreement regarding interest and/ or principal have been renegotiated or rescheduled or restructured after commencement of operations, until the expiry of one year of satisfactory performance under the renegotiated or rescheduled or restructured terms

Provided that the classification of infrastructure loan as a sub-standard asset shall be in accordance with the provisions of the Master Directions.

Doubtful asset shall mean:

- a. a term loan, or
- b. a lease asset, or
- c. a hire purchase asset, or
- d. any other asset,

which remains a sub-standard asset for a period exceeding 18 months;

Loss asset shall mean:

- a. an asset which has been identified as loss asset by the non-banking financial company or its internal or external auditor or by the Bank during the inspection of the applicable NBFC, to the extent it is not written off by the applicable NBFC;
- b. an asset which is adversely affected by a potential threat of non-recoverability due to either erosion in the value of security or non-availability of security or due to any fraudulent act or omission on the part of the borrower.

Further, such class of assets would not be entitled to be upgraded merely as a result of rescheduling, unless it satisfies the conditions required for such upgradation. At present every NBFC is required to make a provision for standard assets at 0.40 per cent.

Other stipulations

All NBFCs are required to frame a policy for demand and call loan that includes provisions on the cut-off date for recalling the loans, the rate of interest, periodicity of such interest and periodical reviews of such performance.

Lending against security of gold

The RBI pursuant to the ND-Non-SI-Directions, as amended from time to time has prescribed that all NBFCs shall maintain a loan to value ratio not exceeding 75% for loans granted against the collateral of gold jewellery. The Value of gold jewellery, for the purpose of determining maximum permissible limit shall be the intrinsic value of the gold content therein and no other cost elements shall be added thereto.

The directions provide for the following requirements to lend against gold:

- i. Verification of the Ownership of Gold

- a. Where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams, NBFCs shall keep a record of the verification of the ownership of the jewellery. The ownership verification need not necessarily be through original receipts for the jewellery pledged but a suitable document shall be prepared to explain how the ownership of the jewellery has been determined, particularly in each and every case where the gold jewellery pledged by a borrower at any one time or cumulatively on loan outstanding is more than 20 grams.
- b. NBFCs shall have an explicit policy in this regard as approved by the Board in their overall loan policy.
- ii. Safety and Security measures to be followed
 - a. Non-Banking Financial Companies, which are in the business of lending against collateral of gold jewellery, shall ensure that necessary infrastructure and facilities are put in place, including safe deposit vault and appropriate security measures for operating the vault, in each of its branches where gold jewellery is accepted as collateral. This is required to safeguard the gold jewellery accepted as collateral and to ensure convenience of borrowers.
 - b. No new branch/es shall be opened without suitable arrangements for security and for storage of gold jewellery, including safe deposit vault
- iii. Opening Branches exceeding one thousand in number

Non-Banking Financial Company which are in the business of lending against collateral of gold jewellery, shall obtain prior approval of the Bank to open branches exceeding 1000. However, NBFCs which already have more than 1000 branches shall approach the Bank for prior approval for any further branch expansion. Besides, no new branches shall be allowed to be opened without the facilities for storage of gold jewellery and minimum-security facilities for the pledged gold jewellery.

Implementation of Green Initiative of the Government

All NBFCs are required take proactive steps for increasing the use of electronic payment systems, elimination of post-dated cheques and gradual phase-out of cheques in their day-to-day business transactions which would result in more cost –effective transactions and faster and accurate settlements.

3. Reserve Bank of India (Know Your Customer (KYC) Master Directions, 2016 dated February 25, 2016, as amended (“RBI KYC Directions”):

The RBI KYC Directions are applicable to every entity regulated by the RBI (including Housing Finance Companies), specifically, scheduled commercial banks, regional rural banks, local area banks, primary (urban) co-operative banks, state and central co-operative banks, all India financial institutions, NBFCs, miscellaneous non-banking companies and residuary non-banking companies, amongst others. In terms of the RBI KYC Directions, every entity regulated there under is required to formulate a KYC policy which is duly approved by the board of directors of such entity or a duly constituted committee thereof. The KYC policy formulated in terms of the RBI KYC Directions is required to include four key elements, being customer acceptance policy, risk management, customer identification procedures and monitoring of transactions. It is advised that all NBFCs adopt the same with suitable modifications depending upon the activity undertaken by them and ensure that a proper policy framework of anti-money laundering measures is put in place. The RBI KYC Directions provide for a simplified procedure for opening accounts by NBFCs. It also provides for an enhanced and simplified due diligence procedure. It has further prescribed detailed instructions in relation to, inter alia, the due diligence of customers, record management, and reporting requirements to Financial Intelligence Unit – India.

The RBI KYC Directions have also issued instructions on sharing of information while ensuring secrecy and confidentiality of information held by Banks and NBFCs. The regulated entities must also adhere to the reporting requirements under Foreign Account Tax Compliance Act and Common Reporting Standards. The RBI KYC Directions also require the regulated entities to ensure compliance with the requirements/obligations under international agreements. The regulated entities must also pay adequate attention to any money-laundering and financing of terrorism threats that may arise from new or developing technologies, and ensure that appropriate KYC procedures issued from time to time are duly applied before introducing new products/services/technologies. The RBI KYC Directions were updated on April 20, 2018 to enhance the disclosure requirements under the Prevention of Money-Laundering Act, 2002 and in accordance with the Prevention of Money-Laundering Rules vide Gazette Notification GSR 538 (E) dated June 1, 2017 and the final judgment of the Supreme Court in the case of Justice K.S. Puttaswamy (Retd.) & Another v. Union of India (Writ Petition (Civil) 494/2012). The Directions were updated to accommodate authentication as per the AADHAR (Targeted Delivery of Financial and Other Subsidies, Benefits and Services) Act, 2016 and use of an Indian resident’s Aadhar number as a document for the purposes of fulfilling KYC requirement. The RBI KYC Directions were further updated on January 9, 2020 with a view to leveraging the digital channels for customer identification process by regulated entities, whereby the RBI has decided to permit video based customer identification process as a consent based alternate method of establishing the customer’s identity, for customer onboarding.

4. Accounting Standards and Accounting policies:

Subject to the changes in Indian Accounting Standards (“IAS”) and regulatory environment applicable to a NBFC we may change our accounting policies in the future and it might not always be possible to determine the effect on the statement of profit and loss of

these changes in each of the accounting years preceding the change. In such cases profit/loss for the preceding years might not be strictly comparable with the profit/loss for the period for which such accounting policy changes are being made. The Ministry of Corporate Affairs (“MCA”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. The notification further explains that NBFCs whose equity and/or debt securities are listed or in the process of listing on any stock exchange in India or outside India and having a net worth of less than ₹ 50,000 lakh, shall comply with Ind AS for accounting periods beginning from April 1, 2021 onwards with comparatives for the periods ending on March 31, 2021 or thereafter.

5. Reporting by Statutory Auditor:

The statutory auditor of the ND-Non-SI-Directions is required to submit to the Board of Directors of the company along with the statutory audit report, a special report certifying that the Directors have passed the requisite resolution mentioned above, not accepted any public deposits during the year and has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it. In the event of noncompliance, the statutory auditors are required to directly report the same to the RBI.

6. Master Direction – Non-Banking Financial Companies Auditor’s Report (Reserve Bank) Directions, 2016:

In addition to the report made by the auditor under Section 143 of the Companies Act, 2013 on the accounts of an NBFC ND- NSI , the auditor shall make a separate report to the Board of Directors of the company on inter alia examination of validity of certificate of registration obtained from the RBI, whether the NBFC is entitled to continue to hold such certificate of registration in terms of its Principal Business Criteria (financial asset / income pattern) as on 31st March of the applicable year, whether the NBFC is meeting the required net owned fund requirement, whether the board of directors has passed a resolution for non-acceptance of public deposits, whether the company has accepted any public deposits during the applicable year, whether the company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it, whether the capital adequacy ratio as disclosed in the return submitted to the Bank in form NBS- 7, has been correctly arrived at and whether such ratio is in compliance with the minimum CRAR prescribed by the Bank, whether the company has furnished to the Bank the annual statement of capital funds, risk assets/exposures and risk asset ratio (NBS-7) within the stipulated period, and whether the NBFC has been correctly classified as NBFC Micro Finance Institutions (MFI).

7. Master Circular dated July 1, 2015 on returns to be submitted by NBFCs

The circular lists down detailed instructions in relation to submission of returns, including their periodicity, reporting time, due date, purpose and the requirement of filing such returns by various categories of NBFCs, including an NBFC-ND-NSI. RBI, vide notification dated November 26, 2015 titled “Online Returns to be submitted by NBFCs-Revised” changed the periodicity of NDSI returns from monthly to quarterly.

8. Master Direction - Non-Banking Financial Company Returns (Reserve Bank) Directions, 2016

All NBFCs are required to put in place a reporting system for filing various returns with the RBI. An NBFC-ND-NSI is required to file on a quarterly basis a return on important financial parameters, including components of assets and liabilities, profit and loss account, exposure to sensitive sectors etc., NBS-7 on prudential norms on a quarterly basis, multiple returns on asset-liability management to address concerns regarding inter alia asset liability mismatches and interest rate risk, quarterly report on branch information, and Central Repository of Information on Large Credits (“CRILC”) on a quarterly basis as well as all Special Mention Accounts-2 (“SMA-2”) status on a weekly basis to facilitate early recognition of financial distress, prompt steps for resolution and fair recovery for lenders.

9. Financing of NBFCs by bank

The RBI has issued guidelines vide a circular dated bearing number DBOD No. FSD. BC.46/24.01.028/2006 -07 dated December 12, 2006 relating to the financial regulation of non-systemically important NBFC-NDs and the relationship of banks with such institutions. In particular, these guidelines prohibit banks from lending to NBFCs for the financing of certain activities, such as (i) bill discounting or rediscounting, except where such discounting arises from the sale of commercial vehicles and two wheelers or three wheelers, subject to certain conditions; (ii) unsecured loans or corporate deposits by NBFCs to any company; (iii) investments by NBFCs both of current and long term nature, in any company; (iv) further lending to individuals for the purpose of subscribing to an initial public offer.

In addition to the above the RBI has issued guidelines vide a circular dated bearing number DBR.BP.BC.No.5/21.04.172/2015-16 dated July 1, 2015 relating to bank financing of NBFCs predominantly engaged in lending against Gold has directed banks to (i) reduce their regulatory exposure ceiling on a single NBFC, having gold loans to the extent of 50% or more of its total financial assets 10% of banks’ capital funds. However, the exposure ceiling may go up by 5%, i.e., up to 15% of banks’ capital funds if the additional exposure is on account of funds on -lent by NBFCs to the infrastructure sector and (ii) to have an internal sub-limit on their aggregate exposures to all such NBFCs, having gold loans to the extent of 50% or more of their total financial assets, taken together. The sub-limits should be within the internal limit fixed by the banks for their aggregate exposure to all NBFCs put together.

10. Master Direction on Information Technology Framework for the NBFC Sector, 2017

All NBFCs must implement the security enhancement requirements under the Master Direction with respect to enhancing security of its Information Technology/Information security Framework (“IT”) business continuity planning, disaster recovery and management. NBFCs must constitute an IT Strategy Committee and IT Steering Committee and formulate an IT and Information security policy in furtherance of the same. Further, a Cyber Crisis Management Plan must be formulated to address cyber intrusions and attacks.

11. Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs, 2017

With a view to put in place necessary safeguards applicable to outsourcing of activities by NBFCs, the RBI has issued directions on managing risks and code of conduct in outsourcing of financial services by NBFCs (“Risk Management Directions”). The Risk Management Directions specify that core management functions like internal auditing, compliance functions, decision making functions such as compliance with KYC norms shall not be outsourced by NBFCs. Further, the Risk Management Directions specify that outsourcing of functions shall not limit its obligations to its customers.

12. Norms for excessive interest rates

In addition, the RBI has introduced vide a circular bearing reference number RBI/ 2006-07/ 414 dated May 24, 2007 whereby RBI has requested all NBFCs to put in place appropriate internal principles and procedures in determining interest rates and processing and other charges. In addition to the aforesaid instruction, the RBI has issued a Master Circular on Fair Practices Code dated July 1, 2015 for regulating the rates of interest charged by the NBFCs. These circulars stipulate that the board of each NBFC is required to adopt an interest rate model taking into account the various relevant factors including cost of funds, margin and risk premium. The rate of interest and the approach for gradation of risk and the rationale for charging different rates of interest for different categories of borrowers are required to be disclosed to the borrowers in the application form and expressly communicated in the sanction letter. Further, this is also required to be made available on the NBFCs website or published in newspapers and is required to be updated in the event of any change therein. Further, the rate of interest would have to be an annualised rate so that the borrower is aware of the exact rates that would be charged to the account.

13. Supervisory Framework

In order to ensure adherence to the regulatory framework by non-systemically important ND-NBFCs, the RBI has directed such NBFCs to put in place a system for submission of an annual statement of capital funds, and risk asset ratio etc. as at the end of March every year, in a prescribed format. This return is to be submitted electronically within a period of three months from the close of every financial year. Further, a NBFC is required to submit a certificate from its statutory auditor that it is engaged in the business of non-banking financial institution with requirement to hold a certificate of registration under the RBI Act. This certificate is required to be submitted within one month of the date of finalisation of the balance sheet and in any other case not later than December 30 of that particular year. Further, in addition to the auditor’s report under Section 143 of the Companies Act, 2013 the auditors are also required to make a separate report to the Board of Directors on certain matters, including correctness of the capital adequacy ratio as disclosed in the return NBS-7 to be filed with the RBI and its compliance with the minimum CRAR, as may be prescribed by the RBI.

14. Ombudsman scheme for customers of NBFCs

The RBI has on February 23, 2018 introduced the Ombudsman Scheme for Non -Banking Financial Companies, 2018 (the “Scheme”). The stated objective of the Scheme is to enable the resolution of complaints free of cost, relating to certain aspects of services rendered by certain categories of NBFCs registered with the RBI to facilitate the satisfaction or settlement of such complaints, and matters connected therewith. The Scheme provides for the appointment by RBI of one or more officers not below the rank of general manager as ombudsmen (the “Ombudsmen”) for a period not exceeding three years at a time, to carry out the functions entrusted to Ombudsmen under the Scheme. The Scheme describes the nature of complaints which any person could file with an Ombudsman alleging deficiency in services by an Covered NBFC, which include inter alia failure to convey in writing the amount of loan sanctioned along with the terms and conditions including annualised rate of interest and method of application thereof, failure or refusal to provide adequate notice on proposed changes being made in the sanctioned terms in vernacular or a language understood by the borrower, levying of charges without adequate prior notice to the borrower/customer and failure or inordinate delay in releasing the securities documents to the borrower on repayment of all dues.

The complaints may be settled by the Covered NBFC within a specified period or may be decided by an award passed by Ombudsman after affording the parties a reasonable opportunity to present their case, either in writing or in a meeting. Where the Ombudsman decides to allow the complaint, the award passed is required to contain the direction/s, if any, to the Covered NBFC for specific performance of its obligations and in addition to or otherwise, the amount, if any, to be paid by the Covered NBFC to the complainant by way of compensation for any loss suffered by the complainant, arising directly out of the act or omission of the Covered NBFC. The Covered NBFC is required to implement the settlement arrived at with the complainant or the award passed by the Ombudsman when it becomes final and send a report in this regard to the RBI within 15 days of the award becoming final. The Ombudsman is required to send a report to the RBI governor annually (as on June 30 every year) containing general review of the activities of his office during the preceding financial year and provide such other information as may be required by the RBI.

15. Asset Liability Management

The RBI has prescribed the Guidelines for Asset Liability Management (“ALM”) System in relation to NBFCs (“ALM Guidelines”) that are applicable to all NBFCs through a Master Circular on Miscellaneous Instructions to All Non-Banking Financial Companies dated July 1, 2015. As per this Master Circular, the NBFCs (engaged in and classified as equipment leasing, hire purchase finance, loan, investment and residuary non-banking companies) meeting certain criteria, including, an asset base of ₹ 10,000 lakhs, irrespective of whether they are accepting / holding public deposits or not, or holding public deposits of ₹ 2,000 lakhs or more (irrespective of the asset size) as per their audited balance sheet as of March 31, 2001, are required to put in place an ALM system. The ALM Guidelines mainly address liquidity and interest rate risks. In case of structural liquidity, the negative gap (i.e. where outflows exceed inflows) in the 1 to 30/31 days’ time-bucket should not exceed the prudential limit of 15 per cent of cash outflows of each time-bucket and the cumulative gap of up to one year should not exceed 15 per cent of the cumulative cash outflows of up to one year. In case these limits are exceeded, the measures proposed for bringing the gaps within the limit should be shown by a footnote in the relevant statement.

16. Foreign Investment Regulations

Foreign investment in Indian securities is regulated through the Consolidated Foreign Direct Investment (“FDI”) Policy and Foreign Exchange Management Act, 1999 (“FEMA”). The government bodies responsible for granting foreign investment approvals are the concerned ministries/ departments of the Government of India and the RBI. The Union Cabinet has approved phasing out the Foreign Investment Promotion Board, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the Department of Industrial Policy & Promotion (“DIPP”) issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the “SOP”). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the “Competent Authority”) for the grant of post facto approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority. The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails.

The Foreign Exchange Management (Debt Instruments) Regulations, 2019 notified by RBI on October 17, 2019, regulate investment in India by a person resident outside India in listed NCDs.

The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017. Further, on January 4, 2018 the RBI released the Master Direction on Foreign Investment in India. Under the approval route, prior approval from the relevant ministry and competent authorities, as per the procedure established under the Standard Operating Procedure for Processing FDI Proposals (“SOP”) dated June 29, 2017 or RBI is required. FDI for the items/activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the Government of India as its members.

As per the sector specific guidelines of the Government of India, 100 per cent FDI/ Non -Resident Indian (“NRI”) investments are allowed under the automatic route in certain NBFC activities subject to compliance with guidelines of the RBI in this regard.

B. ANTI-MONEY LAUNDERING

The RBI has issued a Master Circular dated July 1, 2015 to ensure that a proper policy frame work for the Prevention of Money Laundering Act, 2002 (“PMLA”) is put into place. The PMLA seeks to prevent money laundering and provides for confiscation of property derived from or involved in money laundering and for other matters connected therewith or incidental thereto. It extends to all banking companies, financial institutions, including NBFCs and intermediaries. Pursuant to the provisions of PMLA and the RBI guidelines, all NBFCs are advised to appoint a principal officer for internal reporting of suspicious transactions and cash transactions and to maintain a system of proper record (i) for all cash transactions of value of more than ₹ 10 lakh; (ii) all series of cash transactions integrally connected to each other which have been valued below ₹ 10 lakh where such series of transactions have taken place within one month and the aggregate value of such transaction exceeds ₹ 10 lakh.

Further, all NBFCs are required to take appropriate steps to evolve a system for proper maintenance and preservation of account information in a manner that allows data to be retrieved easily and quickly whenever required or when requested by the competent authorities. Further, NBFCs are also required to maintain for at least ten years from the date of transaction between the NBFCs and the client, all necessary records of transactions, both domestic or international, which will permit reconstruction of individual transactions (including the amounts and types of currency involved if any) so as to provide, if necessary, evidence for prosecution of persons involved in criminal activity.

Additionally, NBFCs should ensure that records pertaining to the identification of their customers and their address are obtained while opening the account and during the course of business relationship, and that the same are properly preserved for at least ten

years after the business relationship is ended. The identification records and transaction data are to be made available to the competent authorities upon request.

RBI Notification dated December 3, 2015 titled “Anti-Money Laundering (“AML”) / Combating of Financing of Terrorism (“CFT”) – Standards” states that all regulated entities (including NBFCs) are to comply with the updated FATF Public Statement and document ‘Improving Global AML/CFT Compliance: on-going process’ as on October 23, 2015, as amended from time to time.

C. THE RECOVERY OF DEBTS DUE TO BANKS AND FINANCIAL INSTITUTIONS ACT, 1993

The Recovery of Debts due to Banks and Financial Institutions Act, 1993 (the “DRT Act”) provides for establishment of the Debts Recovery Tribunals (the “DRTs”) for expeditious adjudication and recovery of debts due to banks and public financial institutions or to a consortium of banks and public financial institutions. Under the DRT Act, the procedures for recovery of debt have been simplified and timeframes have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and his detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

The DRT Act also provides that a bank or public financial institution having a claim to recover its debt, may join an ongoing proceeding filed by some other bank or public financial institution, against its debtor, at any stage of the proceedings before the final order is passed, by making an application to the DRT.

RBI Master Circular on Wilful Defaulters dated July 1, 2015

In the Master Circular on ‘Wilful Defaulters’ the term ‘wilful default’ has been redefined, which would be deemed to have occurred if any of the following events occur: (a) Default in repayment obligations despite having capacity to honour the said obligations. (b) Default in repayment obligations and diversion of funds for other purposes, including non-utilization of funds for the specific purposes for which finance was availed. (c) Default in repayment obligations and siphoning off the funds and non-utilization of funds for the specific purposes for which finance was availed moreover when the funds are not available with the unit in the form of other assets. (d) Default in repayment obligations to a lender and disposal or removal of assets (movable, fixed or immovable) which have been given as security without the knowledge of the lender. Further, special emphasis has been added on siphoning-off of funds. Diversion and siphoning of funds includes the following situations: (i) utilization of short-term working capital funds for long-term purposes in contravention of the terms of sanction; (ii) utilization of borrowed funds for creation of assets other than those for which loan was sanctioned; (iii) Transferring of funds to subsidiaries or group companies or other corporates; (iv) routing of funds through any bank other than the lender bank or consortium without prior permission of the lender; (v) investment in other companies by acquiring equities / debt instrument without the approval of lenders; (vi) shortfall in deployment of funds vis-à-vis the amounts disbursed / drawn without the difference being accounted for. After identification of Wilful Defaulters, the guidelines mandatorily direct the lenders to adopt certain penal measures, which include the following:

- (a) No additional facilities will be granted by banks and financial institutions.
- (b) Promoters of companies that have been identified for siphoning off funds, misrepresentation of accounts and fraudulent transactions will be debarred from institutional finance for floating new ventures for a period of five years
- (c) Legal process (criminal and civil) will be initiated expeditiously.
- (d) Wilful defaulters will not be allowed to take up board positions in any company and those who are on board will be removed expeditiously.

D. THE SECURITIZATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 (“SARFAESI ACT”)

The SARFAESI Act regulates the securitization and reconstruction of financial assets of banks and financial institutions. The RBI has issued guidelines to banks and financial institutions on the process to be followed for sales of financial assets to asset reconstruction companies. These guidelines provide that a bank or a financial institution or an NBFC may sell financial assets to an asset reconstruction company provided the asset is a Non Performing Asset (“NPA”). While taking recourse to the sale of secured assets in terms of Section 13(4) of the SARFAESI Act, a SC/RC may itself acquire the secured assets, either for its own use or for resale, only if the sale is conducted through a public auction.

In case the bank or financial institution is regulated by a statutory body/authority, NPAs must be classified by such bank in accordance with guidelines issues by such regulatory authority. The RBI has issued guidelines on classification of assets as NPAs. Further, these assets are to be sold on a “without recourse” basis only.

The SARFAESI Act provides for the acquisition of financial assets by Securitization Company or Reconstruction Company from any bank or financial institution on such terms and conditions as may be agreed upon between them. A securitization company or reconstruction company having regard to the guidelines formulated by the RBI may, for the purposes of asset reconstruction, provide for measures such as the proper management of the business of the borrower by change in or takeover of the management of the

business of the borrower, the sale or lease of a part or whole of the business of the borrower and certain other measures such as rescheduling of payment of debts payable by the borrower and enforcement of security.

Additionally, under the provisions of the SARFAESI Act, any Securitization company or reconstruction company may act as an agent for any bank or financial institution for the purpose of recovering its dues from the borrower on payment of such fee or charges as may be mutually agreed between the parties.

E. INSOLVENCY AND BANKRUPTCY CODE, 2016

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

RBI vide its circular dated June 7, 2019, laid down the Prudential Framework for Resolution of Stressed Assets whereby prescribing the regulatory approach for resolution of stressed assets, inter alia, by: (i) early recognition and reporting of default by banks, financial institutions and NBFCs in respect of large borrowers; (ii) Affording complete discretion to lenders with regard to design and implementation of resolution plans, in supersession of earlier resolution schemes (S4A, SDR, 5/25 etc.), subject to the specified timeline and independent credit evaluation; (iii) Laying down a system of disincentives in the form of additional provisioning for delay in implementation of resolution plan or initiation of insolvency proceedings; (iv) Withdrawal of asset classification dispensations on restructuring. Future upgrades to be contingent on a meaningful demonstration of satisfactory performance for a reasonable period; and (v) requiring the Mandatory signing of an Inter-Creditor Agreement (“ICA”) by all lenders, which will provide for a majority decision making criteria.

MCA vide notification dated November 15, 2019, issued the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 (“FSP Rules”), inter alia governing the corporate insolvency resolution process and liquidation process of Financial Service Providers (FSPs) under the Bankruptcy Code. The issuance of the FSP Rules has made viable and unified resolution process accessible for the FSPs and their creditors with some procedural differences.

F. COMPANIES ACT, 2013

The Companies Act, 2013 (“Companies Act”) has been notified by the Government of India on August 30, 2013 (the “Notification”). Under the Notification, Section 1 of the Companies Act has come into effect and the remaining provisions of the Companies Act have and shall come into force on such dates as the Central Government has notified and shall notify. Section 1 of the Companies Act deals with the commencement and application of the Companies Act and among others sets out the types of companies to which the Companies Act applies. Further the Ministry of Corporate Affairs has by their notifications dated September 12, 2013 and March 26, 2014 notified certain sections of the Companies Act, which have come into force from September 12, 2013 and April 1, 2014.

The Companies Act provides for, among other things, changes to the regulatory framework governing the issue of capital by companies, corporate governance, audit procedures, corporate social responsibility, requirements for independent directors, director’s liability, class action suits, and the inclusion of women directors on the boards of companies. The Companies Act is complemented by a set of rules that set out the procedure for compliance with the substantive provisions of the Companies Act. As mentioned above, certain provisions of the Companies Act, 2013 have already come into force and the rest shall follow in due course.

G. THE NEGOTIABLE INSTRUMENTS ACT, 1881

A negotiable instrument is something that can be transferred from one person to another in legal transactions involving money. According to the law, something is negotiable if it can be delivered from one party to another party with the intent that title will pass to the transferee with or without the endorsement.

A promissory note, bill of exchange, or cheque that is payable to order or to the bearer is a negotiable document, according to section 13 of the Negotiable Instruments Act, 1881. A negotiation instrument is a piece of paper that is used to make payments and whose ownership can be changed several times before the final payment is completed. In other words, a document that is transferable is a negotiable instrument, where instrument refers to a document and negotiable denotes transferability.

The Negotiable Instruments Act has been timely revised to remove any inconsistencies or other obstacles that could diminish the effectiveness of the Negotiable Instruments Act.

H. CONSUMER PROTECTION ACT, 1986

The Consumer Protection Act, implemented in 1986, gives easy and fast compensation to consumer grievances. It safeguards and encourages consumers to speak against insufficiency and flaws in goods and services. If traders and manufacturers practice any illegal trade, this act protects their rights as a consumer. The primary motivation of this forum is to bestow aid to both the parties and eliminate lengthy lawsuits.

The Act covers all goods and services of all public, private, or cooperative sectors, except those exempted by the central government. The act provides a platform for a consumer where they can file their complaint, and the forum takes action against the concerned supplier and compensation is granted to the consumer for the hassle he/she has encountered.

I. SHOPS AND ESTABLISHMENTS LEGISLATIONS IN VARIOUS STATES

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health, termination of services and safety measures and wages for overtime work.

J. LABOUR LAWS

India has stringent labour related legislations. The Company is required to comply with certain labour laws, which include;

- i. The Employees' Provident Funds and Miscellaneous Provisions Act 1952,
- ii. The Employees' State Insurance Act, 1948,
- iii. The Code on Wages, 2019,
- iv. The Payment of Bonus Act, 1965
- v. The Code on Social Security, 2020
- vi. The Employees Compensation Act, 1923,
- vii. The Payment of Gratuity Act, 1972 and
- viii. The Industrial Relations Code, 2020, amongst others.

K. INTELLECTUAL PROPERTY

Intellectual Property in India enjoys protection under both common law and statute. Under statute, India provides for trademark protection under the Trademarks Act, 1999. The above enactment provides for protection of intellectual property by imposing civil and criminal liability for infringement.

L. REVENUE LAWS

There are certain Revenue laws which are applicable Pan India whereas few are different from State to State. The Indian Contract Act, 1872 and the Indian Stamp Act, 1899 are few of major laws which are applicable to the Company. Moreover, the Company is also required to comply with State Stamp Acts which are different in each state of India.

The Indian Contract Act, 1872

The Indian Contract Act, 1872 ("Contract Act") codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

The Indian Stamp Act, 1899

Stamp duty in relation to certain specified categories of instruments as specified under Entry 91 of the list, is governed by the provisions of the Indian Stamp Act, 1899 ("Stamp Act") which is enacted by the Central Government. All others instruments are required to be stamped, as per the rates prescribed by the respective State Governments. Stamp duty is required to be paid on all the documents that are registered and as stated above the percentage of stamp duty payable varies from one state to another. Certain states in India have enacted their own legislation in relation to stamp duty while the other states have adopted and amended the Stamp Act, as per the rates applicable in the state. On such instruments stamp duty is payable at the rates specified in Schedule I of the Stamp Act.

Instruments chargeable to duty under the Stamp Act which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments which are not sufficiently stamped or not stamped at all. Unstamped and deficiently stamped instruments can be impounded by the authority and validated by payment of penalty. The amount of penalty payable on such instruments may vary from state to state.

The Gujarat Stamp Act, 1958 is applicable to the Company.

M. INFORMATION TECHNOLOGY ACT, 2000

The IT Act has been enacted with the intention of providing legal recognition to transactions that are undertaken electronically. The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in

respect of third-party information made available to or hosted by them and creates liability for failure to protect sensitive personal data. The IT Act has created a mechanism for authenticating electronic documentation by means of digital signatures and provides for civil and criminal liability including fines and imprisonment for various offences. By means of an amendment in 2008, the IT Act legalized the validity of contracts formed through electronic means. The IT Act prescribes various offences, including those offences relating to unauthorised access of computer systems, unauthorised disclosure of confidential information and frauds emanating from computer applications.

Data Protection Bill (“Bill”)

The Ministry of Electronics and Information Technology released the new DPDP Bill on November 18, 2022. Once passed and codified, the DPDP Bill will replace the existing data protection provision (Section 43A) of the IT Act. The Bill seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. All data fiduciaries, determining the purpose and means of processing personal data, are mandated to provide an itemised notice in plain and clear language containing a description of the personal data sought to be collected along with the purpose of processing such data. The DPDP Bill further provides that where consent is the basis of processing personal data, the data principal providing the consent, may withdraw such consent at any time. Data principals will have the right to demand the erasure and correction of data collected by the data fiduciary. Any data processed prior to such withdrawal shall be considered lawful.

N. REGULATORY MEASURES ON ACCOUNT OF THE COVID-19 PANDEMIC

The Government of India on October 23, 2020 has announced the ‘Scheme for grant of ex -gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020)’ (the ‘Scheme’), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

- i. permitting banks to grant a moratorium of six months on all term loan installments and working capital facilities sanctioned in the form of cash credit/overdraft (“CC/OD”), falling due between March 1, 2020 and August 31, 2020, subject to the fulfillment of certain conditions;
- ii. permitting the recalculation of ‘drawing power’ of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;
- iii. permitting the increase in the bank’s exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;
- iv. deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;
- v. permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021);
- vi. permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in (a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;
- vii. permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and
- viii. requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

O. RESOLUTION FRAMEWORK – 2.0: RESOLUTION OF COVID-19 RELATED STRESS OF INDIVIDUALS AND SMALL BUSINESSES DATED MAY 5, 2021 AND JUNE 4, 2021

The RBI has issued Resolution Framework – 2.0 dated May 5, 2021 announcing measures to alleviate the potential stress to individual borrowers and small businesses due to the resurgence of COVID-19 pandemic in India, including:

- i. permitting lending institutions to offer a limited window to individual borrowers and small businesses, including those in wholesale and retail trade, who have availed personal loans and to whom the aggregate exposure is not of more than 25 crores as on March 31, 2021 to implement resolution plans for their credit exposure;
- ii. permitting lending institutions to form policies regarding the implementation of viable resolution plan for borrowers having stress on account of COVID – 19 and to ensure implementation before September 30, 2021 when the borrower and the lending institution agree towards a resolution plan;
- iii. the resolution plan as stated in (b) should be implemented within 90 days from the date of invocation of resolution process and includes rescheduling of payments, conversion of any interest accrued or to be accrued into another credit facility etc, with a moratorium period of not more than two years on implementation of the resolution plan;
- iv. permitting lending institutions to sanction additional finance even before implementation of the plan to meet the interim liquidity requirements of the borrower, to be classified as ‘Standard’ till implementation of the plan otherwise as per the actual performance of the borrower in case the resolution plan is not implemented within the set timeline;
- v. permitting lending institutions to keep from the date of implementation, higher of the provisions as per IRAC norms immediately before implementation or 10% the renegotiated debt exposure of the lending institution post implementation;
- vi. half of provisions mentioned in (e) can be written back upon the borrower paying at least 20 per cent of the residual debt without slipping into NPA and the remaining half can be written back upon the borrower paying another 10 % of the residual debt without slipping into NPA;
- vii. permitting the moratorium for resolution plans implemented in terms of Resolution Framework – 1.0 to be extended to not more than two years;
- viii. permitting the lending institutions to review the working capital sanctioned limits and / or drawing power based on a reassessment of the working capital cycle, reduction of margins, etc. without the same being treated as restructuring for resolution plans implemented in terms of Resolution Framework – 1.0 before September 30, 2021 and to restore the working capital limit as per Resolution Framework – 1.0 before March 31, 2022.

The RBI further through a circular dated June 4, 2021 revised the aggregate exposure limit, including non -fund based facilities, as stated in (a), from ₹ 2500 lakhs to ₹ 5000 lakhs.

HISTORY AND CERTAIN CORPORATE MATTERS

HISTORY AND BACKGROUND

Our Company was originally incorporated as a private company in the name and style of “IBL Finance Private Limited” under Companies Act, 2013 vide certificate of incorporation dated August 03, 2017 issued by Registrar of Companies, Central Registration Center. Our Company was converted into a public limited company pursuant to the special resolution passed by the Shareholders of our Company at the Extra-Ordinary General Meeting held on April 27, 2023 and consequently upon conversion, the name of our Company was changed to “IBL Finance Limited” vide a fresh certificate of incorporation dated May 22, 2023, bearing Corporate Identification Number U65999GJ2017PLC098565 issued by the Registrar of Companies, Ahmedabad.

BUSINESS AND MANAGEMENT

For a description of our activities, services, designing, technology, market segments, the growth of our Company and regional geographical segment in which our Company operates, please refer Chapter titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 98, 92 & 182 of this Draft Prospectus, respectively. For details of the management and managerial competence of our Company, please refer Chapter title “*Our Management*” on page 125 of this Draft Prospectus.

CHANGES IN REGISTERED OFFICE OF OUR COMPANY

There has been no change in the Registered Office of our Company since inception till the date of this Draft Prospectus.

The registered office of the Company is situated at Shop-151, Silver Stone Arcade, Nr. Kantheriya, Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanpore, Causway Road Surat, Gujarat- 395004, India.

MAIN OBJECTS OF OUR COMPANY

The Main Objects clause of the Company as per the Memorandum of Association is as under:

1. To carry on the business of providing finance, to lend and advance money with or without security to any individual, firm, body corporate or any other entity whether established in India or elsewhere and to carry on the business of leasing and hire purchase finance, loans under hypothecation, personal loans, agricultural finance, loan syndication, securitization, including distribution of credit by way of synchronization with banks, financial institutions and to provide finance on lease or hire purchase or on loan or by any other mode of financing whether under hypothecation or mortgage for all types of industrial and office and/or household plant, equipment, machinery, vehicles, land and building, real estates, movable and immovable properties, consumer durables, two wheelers, four wheelers, construction materials/ equipment for private, personal or official purposes;
2. To carry on the business of financial advisors, capital advisor, consultancy services, investment services, capital services.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION (MoA)

Since incorporation, the following amendments have been made to the MoA:

| Date of Shareholder’s Resolution | Particulars |
|----------------------------------|---|
| August 08, 2017 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 100,000/- (Rupees One Lakh Only) divided into 10,000 (Ten Thousand Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakhs Only) divided into 21,00,000 (Twenty-One Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. |
| August 06, 2018 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 2,10,00,000/- (Rupees Two Crores Ten Lakhs Only) divided into 21,00,000 (Twenty-One Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 3,60,00,000/- (Rupees Three Crores Sixty Lakhs Only) divided into 36,00,000 (Thirty-Six Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. |
| December 17, 2022 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 3,60,00,000/- (Rupees Three Crores Sixty Lakhs Only) divided into 36,00,000 (Thirty-Six Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. |
| April 27, 2023 | Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from ‘IBL Finance Private Limited’ to ‘IBL Finance Limited’ pursuant to the conversion of our Company from a private limited company to a public limited company. |
| May 27, 2023 | Clause V of the Memorandum of Association was amended to reflect increase in authorized share capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crores Only) divided into 1,00,00,000 (One Crore |

| Date of Shareholder's Resolution | Particulars |
|----------------------------------|---|
| | Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 25,00,00,000/- (Rupees Twenty five Crores Only) divided into 2,50,00,000 (Two Crore Fifty Lakhs Only) Equity Shares of Rs. 10/- (Rupees Ten Only) each. |

MAJOR EVENTS, MILESTONES, KEY AWARDS, ACHIEVEMENTS AND ACCOLADES OF OUR COMPANY

| Financial Year | Description |
|----------------|---|
| 2017-18 | Incorporation of the Company in the name and style of "IBL Finance Private Limited". |
| 2018-19 | Received certificate of registration to commence business of non-banking financial institution without accepting public deposits. |
| 2020-21 | Launched a personal loan application on Google Playstore named "IBL: Instant Personal Loan. |
| 2023-24 | Converted into public limited company vide fresh certificate of incorporation dated May 22, 2023. |

HOLDING COMPANY

Our Company does not have a holding Company as on the date of this Draft Prospectus.

SUBSIDIARIES

Our Company does not have a Subsidiary Company as on the date of this Draft Prospectus.

JOINT VENTURES

As on the date of this Draft Prospectus, our Company does not have any joint ventures or associates.

STRATEGIC PARTNERS

Our Company does not have any strategic partners as on the date of this Draft Prospectus.

FINANCIAL PARTNERS

Apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, as on the date of this Draft Prospectus, our Company does not have any financial partner.

TIME AND COST OVERRUN IN SETTING UP OF PROJECTS

As on the date of this Draft Prospectus, there have been no instances of time and cost overruns in setting up of our projects.

DETAILS OF LAUNCH OF KEY SERVICES, ENTRY IN NEW GEOGRAPHIES OR EXIT FROM EXISTING MARKETS

For details pertaining to launch of key services, entry in new geographies or exit from existing markets, please refer chapter titled "*Business Overview*" on page 98 of this Draft Prospectus.

CAPACITY/ FACILITY CREATION, LOCATION OF PLANTS

Capacity and capacity utilization is not applicable to our Company since our business is not in the nature of a manufacturing concern with specified installed capacity

DEFAULTS OR RESCHEDULING / RESTRUCTURING OF BORROWINGS OUR COMPANY WITH FINANCIAL INSTITUTIONS / BANKS

As on the date of this Draft Prospectus, there have been no defaults or rescheduling/restructuring of borrowings with any of the financial institutions/banks or conversion of loans into equity in relation to our Company.

ACQUISITION OR DIVESTMENTS OF BUSINESS / UNDERTAKINGS, MERGERS AND AMALGAMATIONS

As on the date of this Draft Prospectus, there have been no acquisition or divestments of business / undertakings, mergers and amalgamations.

GUARANTEES GIVEN BY THE PROMOTER

As on the date of this Draft Prospectus, no guarantees have been issued by the Promoter to any third party.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

SHAREHOLDERS AND OTHER MATERIAL AGREEMENTS

There are no shareholders and other material agreements, other than those entered into in the ordinary course of business carried on or intended to be carried on by our Company.

AGREEMENT WITH KEY MANAGERIAL PERSONNEL OR DIRECTORS OR PROMOTERS OR ANY OTHER EMPLOYEE OF THE COMPANY

There are no agreements entered into by key managerial personnel or senior management or Directors or Promoters or any other employee, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

OUR MANAGEMENT

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

As on the date of this Draft Prospectus, our Board comprises of 6 Directors, including 3 Executive Directors (including our Managing Director), 3 Non-Executive Directors out of which 2 are Non-Executive Independent Directors. Our Company has 1 woman Director. The present composition of our Board and its committees is in accordance with the Companies Act, 2013.

BOARD OF DIRECTORS DETAILS ARE AS FOLLOWS

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Prospectus |
|---|---|
| <p>MANISH PATEL Designation: Chairman and Managing Director DIN: 07840184 Date of Birth: December 21, 1986 Age: 37 years Occupation: Business Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009 Nationality: Indian Original Date of Appointment: August 03, 2017 Change in Designation: May 27, 2023 Period of Directorship: Period of 5 (years) with effect from May 27, 2023 to May 26, 2028 not liable to retire by rotation.</p> | <p>Public Companies: Nil</p> <p>Private Companies: Nil</p> <p>Foreign Companies: Nil</p> |
| <p>PIYUSH PATEL Designation: Whole-Time Director DIN: 07838311 Date of Birth: September 25, 1980 Age: 43 years Occupation: Business Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009 Original Date of Appointment: August 03, 2017 Change in Designation: May 27, 2023 Period of Directorship: Period of 5 (years) with effect from May 27, 2023 to May 26, 2028, liable to retire by rotation.</p> | <p>Public Companies: Nil</p> <p>Private Companies: Nil</p> <p>Foreign Companies: Nil</p> |
| <p>MANSUKHBHAI PATEL Designation: Whole-Time Director Director DIN: 07838306 Date of Birth: September 25, 1954 Age: 69 years Occupation: Business Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009 Original Date of Appointment: August 03, 2017 Change in Designation: July 07, 2023 Period of Directorship: Period of 5 (years) with effect from July 07, 2023 to July 06, 2028, liable to retire by rotation.</p> | <p>Public Companies: Nil</p> <p>Private Companies: Nil</p> <p>Foreign Companies: Nil</p> |
| <p>BIPIN HIRPARA Designation: Non-Executive Independent Director DIN: 08249274 Date of Birth: July 21, 1976 Age: 47 years Occupation: Business Address: B-902, Swapna Sangini, B/H, Nandanvan 2, Vesu, VIP road, Surat, Gujarat - 395007 Original Date of Appointment: April 29, 2023 Change in Designation: May 27, 2023</p> | <p>Public Companies:</p> <ul style="list-style-type: none"> • Quest Softech (India) Limited • Polysil Irrigation Systems Limited <p>Private Companies:</p> <ul style="list-style-type: none"> • Parthasarathi Academy Private Limited <p>Foreign Companies: Nil</p> |

| Name, Designation, DIN, Date of Birth, Age, Occupation, Address, Nationality, Original Date of Appointment, Change in Designation and Period of Directorship | Other Directorships as on the date of this Draft Prospectus |
|--|--|
| Period of Directorship: For the term of 5 years commencing from April 29, 2023, not liable to retire by rotation. | |
| AJAYKUMAR BALDHA Designation: Non-Executive Director DIN: 08527085 Date of Birth: November 20, 1991 Age: 32 years Occupation: Business Address: A-64, Rangavdhut Society, lambe hanuman road, Surat city, Varachha road, Surat, Gujarat - 395006 Original Date of Appointment: April 29, 2023 Change in Designation: May 27, 2023 Period of Directorship: For the term of 5 years commencing from April 29, 2023, not liable to retire by rotation. | Public Companies: Nil Private Companies: <ul style="list-style-type: none"> • Upward Brands Private Limited • Codexial Technologies Private Limited Foreign Companies: Nil |
| HITISHA CHANCHAD Designation: Non-Executive Independent Director DIN: 10173778 Date of Birth: December 26, 1988 Age: 35 years Occupation: Business Address: B-53, Rangavdhut Society-4, matavadi, Surat city, Surat, Gujarat - 395006 Original Date of Appointment: April 29, 2023 Change in Designation: May 27, 2023 Period of Directorship: For the term of 5 years commencing from April 29, 2023, not liable to retire by rotation. | Public Companies: Nil Private Companies: Nil Foreign Companies: Nil |

Brief Biographies of our Directors

MANISH PATEL is the Chairman and Managing Director of the board of our Company. He has been associated with our Company since incorporation. He holds a Bachelor's degree in Business Administration from Sikkim Manipal University. He was previously associated with Arihant Capital Markets Limited as sub-broker. Further, he has certificate of registration as sub-broker from the Securities and Exchange Board of India (Stock Brokers and Sub-brokers) Regulations, 1992. He has more than 5 years of experience in the field of our business.

PIYUSH PATEL is the Whole-Time Director of our Company. He has been associated with our Company since incorporation. He is an under graduation but he has completed his senior secondary course from National Institute of Open Schooling. He has more than 5 years of experience in the field of our business.

MANSUKHBHAI PATEL is the Whole-Time Director of our Company. He has been associated with our Company since incorporation. He holds a bachelor's degree in Commerce from Gujarat University. He has more than 5 years of experience in the field of our business.

BIPIN HIRPARA is the Non-Executive Independent Director of our Company. He holds a bachelor's degree in commerce. He is a member of the Institute of Chartered Accountants of India. He has more than 10 years of experience in the audit and accounts sector. He was appointed on the board of our Company w.e.f. April 29, 2023. He is also associated as a director with Parthasarathi Academy Private Limited, Quest Softech (India) Limited and Polysil Irrigation Systems Limited.

AJAYKUMAR BALDHA is the Non-Executive Director of our Company. He holds a bachelor's degree from Gujarat Technology University. He was appointed on the board of our Company w.e.f. April 29, 2023. He is also associated as a director with Upward Brands Private Limited and Codexial Technologies Private Limited. He has more than five years of experience in software industry.

HITISHA CHANCHAD is the Non-Executive Independent Director of our Company. She holds a bachelor's degree in commerce (special) from Veer Narmad South Gujarat University. She was appointed on the board of our Company w.e.f. April 29, 2023.

Relationship between our Directors, KMPs and Senior Management

Except as mentioned below, as on the date of this Draft Prospectus, none of our directors, KMPs and Senior Management are related to each other as per section 2(77) of the Companies Act, 2013.

| Director | Other Director | Relation |
|-------------------|----------------|----------|
| Mansukhbhai Patel | Piyush Patel | Son |

| | | |
|-------------------|--------------|---------|
| Mansukhbhai Patel | Manish Patel | Son |
| Manish Patel | Piyush Patel | Brother |

Details of directorships in companies suspended or delisted

None of our Directors is or was a director of any listed company, whose shares have been or were suspended from being traded on any stock exchanges, in the last five years prior to the date of this Draft Prospectus, during the term of their directorship in such company.

Further, none of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange during the term of their directorship in such company.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers and none of our Directors or members of senior management were appointed pursuant to any arrangement or understanding with any major shareholders, customers, suppliers or others.

Service contracts with Directors

Our Company has not entered into any service contracts with our Directors which provide for benefits upon the termination of their employment.

Borrowing Powers of the Board

Our Articles of Association, subject to applicable law, authorize our Board to raise or borrow money or secure the payment of any sum of money for the purposes of our Company. Pursuant to a resolution passed by the at the EGM of the Company held on July 07, 2023 pursuant to Section 180(1)(c) and other applicable provisions of the Companies Act and rules made thereunder, our Board has been authorized to borrow any sum of money from time to time notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed the aggregate of the paid up share capital and free reserves of our Company, provided that the total outstanding amount so borrowed shall not any time exceed the limit of ₹ 50.00 crores.

Terms of Appointment & Remuneration to Executive Directors

MANISH PATEL

He was appointed as a Managing Director of our Company in the Extra-Ordinary General Meeting held on May 27, 2023 for the period of Five (5) consecutive years with effect from May 27, 2023. His terms and conditions as approved by the Shareholders at their meeting held on July 07, 2023 are laid down as under:

| Particulars | Remuneration |
|--|--|
| Salary | ₹ 5,00,000/- p.m. with such increments as the Board may decide from time to time subject to a ceiling of ₹ 10,00,000 per months as Basic Salary |
| Medical allowance, Perquisites, allowance & other benefits | Medical allowance, conveyance allowance, travelling and all other expenses incurred for the business of the Company as per policy of the Company |

PIYUSH MANSUKHBHAI PATEL

He was appointed as a Whole-Time Director. His terms and conditions as approved by the Shareholders at their meeting held on May 27, 2023 are laid down as under:

| Particulars | Remuneration |
|---|--|
| Salary, Commission, Perquisites, allowance & other benefits | ₹ 5,00,000/- p.m. with such increments as the Board may decide from time to time subject to a ceiling of ₹ 10,00,000 per months as Basic Salary |
| Medical allowance, Perquisites, allowance & other benefits | Medical allowance, conveyance allowance, travelling and all other expenses incurred for the business of the Company as per policy of the Company |

MANSUKHBHAI KUNVARJIBHAI PATEL

He was appointed as a Whole-Time Director. His terms and conditions as approved by the Shareholders at their meeting held on July 07, 2023 are laid down as under:

| Particulars | Remuneration |
|---|--|
| Salary, | ₹ 2,00,000/- p.m. with such increments as the Board may decide from time to time subject to a ceiling of ₹ 2,50,000 per months as Basic Salary |
| Commission, Perquisites, allowance & other benefits | Medical allowance, conveyance allowance, travelling and all other expenses incurred for the business of the Company as per policy of the Company |

Remuneration paid to Executive Directors during the financial year ended 2022-23

(₹ in lakhs)

| Name of the Director | 2022-23 |
|----------------------|---------|
| Manish Patel | 48.00 |
| Piyush Patel | 48.00 |
| Mansukhbhai Patel | 24.00 |

Payment or benefit to Non - Executive Non – Independent Director and Non - Executive Independent Directors of our Company

Pursuant to Board resolution dated April 29, 2023, it is hereby accorded for payment of sitting fees of ₹ 0.02 Lakhs per meeting, to the Non-Executive Director and Non-Executive Independent Director of the Company for attending the meetings or committee thereof attended by them until further change of consensus in this regard.

No sitting fees or commission was paid by our Company to any Non-Executive Independent Directors and to Non-Executive Non-Independent Director in Financial Year 2021- 2022 and 2022-2023.

Shareholding of Directors in our Company

As per our AOA, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as on the date of this Draft Prospectus is set forth below:

| Name of director | Number of equity shares |
|-------------------|-------------------------|
| Manish Patel | 1,911,924 |
| Piyush Patel | 2,899,386 |
| Mansukhbhai Patel | 1,938,034 |
| Ajaykumar Baldha* | 35,340 |
| Total | 3,374,672 |

*Alpita Baldha, wife of Ajaykumar Baldha, Non-Executive Director and Mehulkumar Chanchad, spouse of Hitisha Chanchad, Non-Executive Independent Director holds 27,154 and 117,694 shares as on the date of this Draft Prospectus.

Confirmations

Except as disclosed in this Draft Prospectus, our Directors are not interested as a member in any firm or company which has any interest in our Company.

None of our Directors is or was a director of any listed companies, whose shares have been or were suspended from being traded on any stock exchanges having nationwide terminals, during the five (5) years preceding from the date of this Draft Prospectus, during their term of directorship in such company.

None of our Directors is or was, a Director of any listed companies, which has been or were delisted from any stock exchange(s), during their term of directorship in such Company.

None of our Directors have been or was identified as Wilful Defaulters or Fraudulent Borrower as defined under SEBI ICDR Regulations.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which he is interested, in connection with the promotion or formation of our Company.

Except for Manish Patel and Piyush Patel, none of our Directors are associated with the securities market and there are no violations of securities laws committed by any of them in the past or pending against them, nor have any companies with which our director was associated have been debarred or prohibited from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

None of our Directors have been declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

Interest of directors

All our Non-Executive Directors including Independent Director may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of the Board or a committee thereof and as well as to the extent of reimbursement of expenses payable to them under the Articles. Our Executive Directors deemed to be interested to the extent of remuneration payable to them pursuant

to Articles of the Company and resolution approved by the Board of Directors/ Members of our Company, as the case may be, time to time for services rendered as an officer or employee of our Company. The Directors may also be deemed to be interested in the Equity Shares, if any, held by them and/or any Equity Shares that may be held by their relatives, the companies, firms and trusts, in which they are interested as directors, members, partners, trustees, beneficiaries and promoters and in any dividend distribution which may be made by our Company in the future. For the shareholding of the Directors, please refer chapter titled “Our Management - Shareholding of Directors in our Company” beginning on 125 of this Draft Prospectus.

Except for **Manish Patel, Piyush Patel** and **Mansukhbhai Patel** who are promoters of our Company, none of the other Directors have any interest in the promotion of our Company other than in the ordinary course of business.

Except as stated in the chapter “**Business Overview**” beginning on 98 of this Draft Prospectus and in the chapter “**Restated Financial Statement**” beginning on page 143 none of our Directors have any interest in the property acquired or proposed to be acquired by our Company.

Except as stated in “**Restated Financial Statement**” beginning on page 143 and as disclosed in this chapter, our Directors do not have any other interest in our Company or in any transaction by our Company including, for acquisition of land, construction of buildings or supply of machinery.

Other than the interest of our Directors, Manish Patel with respect to the lease of our Registered office of our Company, our Directors do not have any interest in any property acquired by our Company including in the preceding three years from the date of this Draft Prospectus. Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Prospectus.

Payment of benefits (non-salary related)

Except as disclosed above, no amount or benefit has been paid or given within the two (2) years preceding the date of filing of this Draft Prospectus or is intended to be paid or given to any of our Directors except the remuneration for services rendered and/or sitting fees as Directors.

Bonus or profit-sharing plan for the Directors

None of the Directors are party to any bonus or profit-sharing plan of our Company.

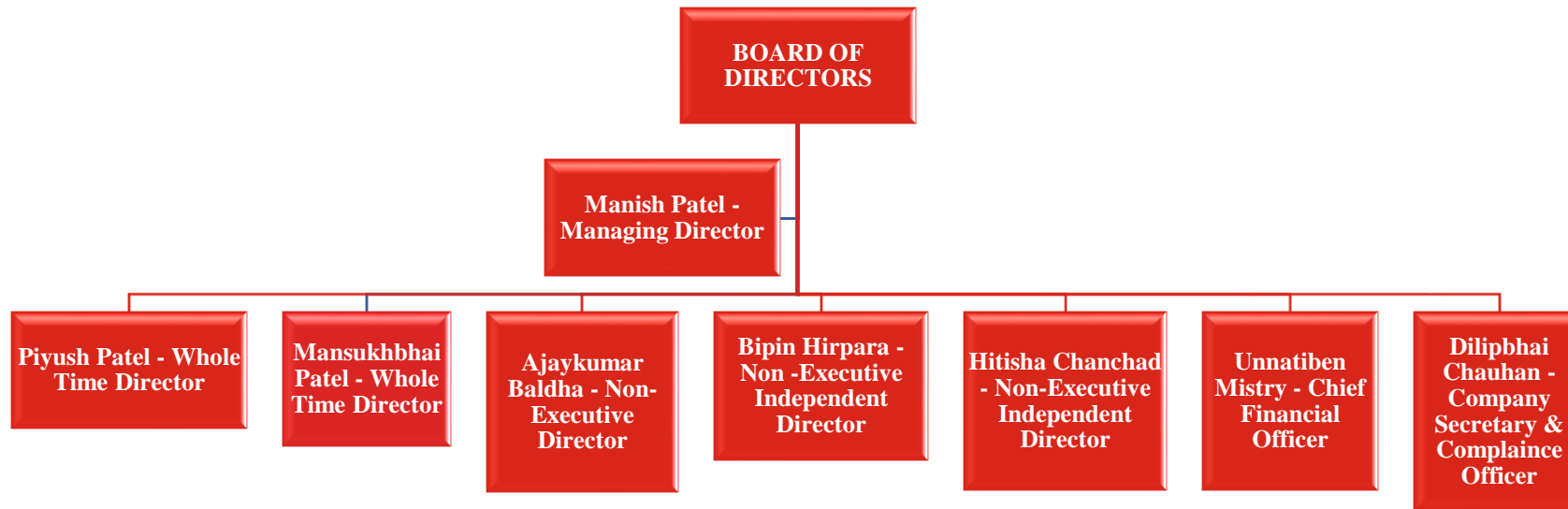
Changes in the board of directors in the last three (3) years immediately preceding the date of Draft Prospectus.

There has been no change in the Board of Directors, except as stated below during the last three (3) years preceding the date of this Draft Prospectus.:

| Sr. No | Name | Date | Designation | Reason |
|---------------|-------------------|----------------|---|-----------------------|
| 1 | Bipin Hirpara | April 29, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | May 27, 2023 | Non-Executive Independent Director | Regularisation |
| 2 | Ajaykumar Baldha | April 29, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | May 27, 2023 | Non-Executive Director | Regularisation |
| 3 | Hitisha Chanchad | April 29, 2023 | Additional Non-Executive Independent Director | Appointment |
| | | May 27, 2023 | Non-Executive Independent Director | Regularisation |
| 4 | Manish Patel | May 27, 2023 | Managing Director | Change in Designation |
| 5 | Piyush Patel | May 27, 2023 | Whole-Time Director | Change in Designation |
| 6 | Manish Patel | June 21, 2023 | Chairman | Appointment |
| 7 | Mansukhbhai Patel | July 07, 2023 | Whole-Time Director | Change in Designation |

Management Organization Structure

The following chart depicts our Management Organization Structure



Corporate Governance

In addition to the applicable provisions of the Companies Act with respect to corporate governance, provisions of SEBI Listing Regulations to the extent applicable to the entity whose shares are listed on NSE EMERGE and shall be applicable to us immediately upon the listing of our Equity Shares with the NSE EMERGE. We are in compliance with the requirements of the applicable regulations, including SEBI Listing Regulations, SEBI regulations and the Companies Act in respect of corporate governance including constitution of the Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act. The Board functions either as a full board or through various committees constituted to oversee specific functions

Committees of the Board of directors

Our Board of Directors presently has three (3) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee and (iii) Stakeholders Relationship Committee

(i) Audit Committee

Our Company has constituted an Audit Committee as per Section 177 and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable Clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines vide resolution passed in the meeting of our Board dated April 29, 2023. The constitution of the Audit Committee is as follows:

| Name of Director | Position in the Committee | Designation |
|------------------|---------------------------|------------------------------------|
| Bipin Hirpara | Chairman | Non-Executive Independent Director |
| Manish Patel | Member | Chairman and Managing Director |
| Hitisha Chanchad | Member | Non-Executive Independent Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Audit Committee.

The scope and function of the Audit Committee is in accordance with section 177 of the Companies Act. The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Tenure:

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

Meetings of the Committee:

The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

Role and Powers

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 as amended and Companies Act, 2013 shall be as under:

Role of Audit Committee

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;

- iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval;
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
 8. Approval or any subsequent modification of transactions of the company with related parties;
 9. Scrutiny of inter-corporate loans and investments;
 10. Valuation of undertakings or assets of the company, wherever it is necessary;
 11. Evaluation of internal financial controls and risk management systems;
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors any significant findings and follow up there on.
 15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
 16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 17. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
 18. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
 19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 20. To review the functioning of the whistle blower mechanism;
 21. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
 22. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
 23. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
 24. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances / investments existing as on the date of coming into force of this provision.
 25. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger amalgamation etc., on the listed entity and its shareholders.
 26. To investigate any other matters referred to by the Board of Directors;
 27. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contain into SEBI Listing Regulations 2015.

Further the Audit Committee shall mandatorily review the following information:

- a) Management discussion and analysis of financial information and results of operations;
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f) Statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - ii. Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

(ii) Nomination and Remuneration Committee

Our Company has constituted Nomination and Remuneration Committee in terms of Section 178, Schedule V and other applicable provisions of Companies Act, 2013 read with rule 6 of the Companies (Meetings of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable guidelines, in the meeting of the Board of Directors held on April 29, 2023. The Nomination and Remuneration Committee presently consists of the following Directors of the Board.

| Name of Director | Position in the Committee | Designation |
|------------------|---------------------------|------------------------------------|
| Bipin Hirpara | Chairman | Non-Executive Independent Director |
| Hitisha Chanchad | Member | Non-Executive Independent Director |
| Ajaykumar Baldha | Member | Non-Executive Director |

Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

Meetings:

The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

Role of Terms of Reference:

1. Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
2. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
3. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of an external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
4. Formulation of criteria for evaluation of independent directors and the Board;
 5. Devising a policy on Board diversity; and
 6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors
 7. Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
 8. Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

9. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
10. Decide the amount of Commission payable to the Whole Time Directors;
 - Review and suggest revision of the total remuneration package of the Executive Directors keeping in view that performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
 - To formulate and administer the Employee Stock Option Scheme.
11. recommend to the board, all remuneration, in whatever form, payable to senior management.

(iii) Stakeholders Relationship Committee

Our Company has constituted the Stakeholders Relationship Committee in terms of Section 178 sub section (5) and other applicable provisions of Companies Act, 2013 read with Rule 6 of the Companies (Meeting of Board and its Power) Rules, 2014 and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, in the meeting of Board of Directors dated April 29, 2023. The Stakeholders Relationship Committee presently consists of following Directors of the Board:

| Name of Director | Position in the Committee | Designation |
|------------------|---------------------------|------------------------------------|
| Ajaykumar Baldha | Chairman | Non-Executive Director |
| Piyush Patel | Member | Whole-Time Director |
| Hitisha Chanchad | Member | Non-Executive Independent Director |

The Company Secretary and Compliance Officer of the Company would act as the Secretary to the Stakeholder's Relationship Committee.

Tenure:

The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.

Meetings:

The Stakeholders Relationship Committee shall meet at least once in a year and report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.

Terms of Reference:

1. Redressal of shareholders' and investors' complaints, including and in respect of:
 - a) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or when the space at back for recording transfers have been fully utilized.
 - b) Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - c) Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
2. Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measure of improving the system of redressal of Shareholders' /Investors' grievances.
3. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
4. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
5. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
6. Allotment and listing of shares;
7. Review of measures taken for effective exercise of voting rights by shareholders.
8. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
9. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholder of the company.
10. Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.

11. Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
12. Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the Emerge platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. The Board of Directors at their meeting held on June 21, 2023 have approved and adopted the policy for prevention of insider trading.

The Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on listing of Equity Shares on the Emerge Platform of NSE. The Board of Directors at their meeting held on June 21, 2023 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Our Key Managerial Personnel

Our Company is managed by our Board of Directors, assisted by qualified experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

Brief Profile of Key Managerial Personnel:

Dilipbhai Chauhan, Company Secretary & Compliance Officer

Dilipbhai Chauhan, aged 42 years, is the Company Secretary and Compliance Officer of our Company. He was appointed as the Company Secretary and Compliance Officer of our Company with effect from June 21, 2023. He holds a bachelor's degree in commerce and is an associate member of the Institute of Company Secretaries of India. He is currently involved in secretarial, administrative functions in our Company. He was working as a practicing company secretary since December 07, 2020, having an overall experience of more than 5 years in the field secretarial compliances. He has not received any remuneration for the Financial year ended March 31, 2023 as he has been appointed in Financial Year 2023-24.

Unnatiben Mistry, Chief Financial Officer

Unnatiben Mistry, aged 31 years, is the Chief Financial Officer of our Company. She holds a master's degree of business administration in finance from Gujarat Technological University. She has been by appointed by the Board of Directors of our Company as the Chief Financial Officer with effect from June 21, 2023. She is currently involved in finance and accounts functions in our Company. She was associated with our Company since March 01, 2019 as accounts head having and overall experience of more than 4 years in the field of finance and accountancy. She has not received any remuneration for Financial year ended March 31, 2023 as she has been appointed in Financial Year 2023-24.

Senior Management

Except as disclosed in *"Our Management – Key Management Personnel"* on page 125, there are no other Senior Management in our Company.

Manish Patel, Managing Director

For the complete profile of Manish Patel, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter *"Our Management - Brief Biographies of our Directors"* beginning on 125 of this Draft Prospectus

Piyush Patel, Whole Time Director

For the complete profile of Piyush Patel, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter *"Our Management - Brief Biographies of our Directors"* beginning on 125 of this Draft Prospectus

Mansukhbhai Patel, Whole Time Director

For the complete profile of Piyush Patel, along with details of his educational qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see chapter *"Our Management - Brief Biographies of our Directors"* beginning on 125 of this Draft Prospectus.

Nature of any family relation between any of the key managerial personnel and Senior Management

None of the Key Managerial Personnel and Senior Management are related to each other or to any of our Directors.

Arrangement and Understanding with Major Shareholders/Customers/ Suppliers

As on the date of this Draft Prospectus, our Company has no arrangement or understanding with any major shareholders, customers or suppliers or others, pursuant to which any of the Key Managerial Personnel and Senior Management were selected as a Key Managerial Personnel and Senior Management.

Compensation paid to Key Managerial Personnel and Senior Management during last financial year i.e., 2022-23

For details with respect to the compensation paid to our Key Managerial Personnel and Senior Management during preceding Financial Year 2022-23 refer “*Terms and conditions of employment of our Executive Directors of our Company*” beginning on 125 and “*Restated Financial Statements*” beginning on page 143 of this Draft Prospectus.

Dilipbhai Chauhan has been appointed as Company Secretary w.e.f. April 17, 2023 and Compliance Officer w.e.f. June 21, 2023. Hence, he has not received remuneration during preceding Financial Year 2021-22 and Financial Year 2022-23.

Unnatiben Mistry has been appointed as Chief Financial Officer w.e.f. June 21, 2023. Hence, she has not received remuneration during preceding Financial Year 2021-22 and Financial Year 2022-23.

Bonus or profit-sharing plan of the Key Managerial Personnel and Senior Management

None of the Key Management Personnel and Senior Management is party to any bonus or profit-sharing plan of our Company other than the performance linked incentives given to each Key Management Personnel and Senior Management.

Status of Permanent Employment of KMPs and Senior Management

All the key managerial personnel and Senior Management mentioned above are permanent employees of our Company.

Payment or Benefits to of our KMPs and Senior Management (non-salary related)

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel and Senior Management within the two preceding years or is intended to be paid or given.

Service Contracts with KMPs and Senior Management

Our Company does not have any service contract with the KMPs and Senior Management pursuant to which they are entitled to any benefits upon termination of employment.

Employees’ Stock Option or or Employee Stock Purchase Scheme

As on date of this Draft Prospectus, our Company has not granted any options or allotted any Equity Shares under the ESOP Scheme as on the date of this Draft Prospectus.

Attrition

None of our Key Management Personnel and Senior Management attrition rate is high as compared to the industry.

Shareholding of the Key Managerial Personnel and Senior Management

Except as disclosed in “*Shareholding of Directors in our Company*” please refer to the chapter titled “*Capital Structure*” beginning on 55 of this Draft Prospectus, none of our Key Managerial Personnel and Senior Management hold any Equity Shares in our Company as on the date of this Draft Prospectus

Changes in Key Managerial Personnel and Senior Management during preceding Three (3) Years

Except as mentioned below, there has been no change in Key Managerial Personnel and Senior Management during the last three (3) years preceding the date of this Draft Prospectus:

| Sr. No | Name | Date | Designation | Reason |
|---------------|-------------------|---------------|--|-----------------------|
| 1 | Manish Patel | May 27, 2023 | Managing Director | Change in Designation |
| 2 | Piyush Patel | May 27, 2023 | Whole-Time Director | Change in Designation |
| 3 | Dilipbhai Chauhan | June 21, 2023 | Company Secretary and Compliance Officer | Appointment |
| 4 | Unnatiben Mistry | June 21, 2023 | Chief Financial Officer | Appointment |
| 5 | Manish Patel | June 21, 2023 | Chairman | Appointment |
| 6 | Mansukhbhai Patel | July 07, 2023 | Whole-Time Director | Change in Designation |



OUR PROMOTER AND PROMOTER GROUP

OUR PROMOTER

The Promoters of our Company are Manish Patel, Piyush Patel and Mansukhbhai Patel.

As on the date of this Draft Prospectus, our Promoters holds in aggregate 67,49,344 Equity Shares of face value ₹10/- each, representing 37.13 % of the issued, subscribed and paid-up Equity Share Capital of our Company.

BRIEF PROFILE OF OUR PROMOTER IS AS FOLLOWS:

| | |
|---|---|
|  | <p>Manish Patel, aged 37 years, is one of our Promoters and is also the Managing Director on our Board.</p> <p>Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009</p> <p>Date of Birth: December 21, 1986</p> <p>PAN: ARNPP5266D</p> <p>For the Complete Profile of Manish Patel i.e.; his educational qualifications, professional experience, positions / posts held in the past, directorships held, other ventures and business and financial activities, see “<i>Our Management</i>” on page 125 of this Draft Prospectus.</p> |
|  | <p>Piyush Patel, aged 43 years, is one of our Promoters and is also the Whole-Time Director of the Company</p> <p>Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009</p> <p>Date of Birth: September 25, 1980</p> <p>PAN: AKKPP9537D</p> <p>For the Complete Profile of Piyush Mansukhbhai Patel i.e.; his educational qualifications, professional experience, positions / posts held in the past, directorships held, other ventures and business and other activities, see “<i>Our Management</i>” on page 125 of this Draft Prospectus.</p> |



Mansukhbhai Patel, aged 69 years, is one of our Promoters and is also the Whole-Time Director on our Board.

Address: Plot no. B/9, Western Oasis, Behind Goverdhan Park, Gangeshwar Mahadev Road, Adajan, Surat City, Gujarat - 395009

Date of Birth: September 25, 1954

PAN: ACFPP4053P

For the Complete Profile of Mansukhbhai Patel i.e.; his educational qualifications, professional experience, positions / posts held in the past, directorships held, other ventures and business and financial activities, see “*Our Management*” on page 125 of this Draft Prospectus.

DECLARATION

Our Company confirms that the Permanent Account Number (PAN), Aadhar Card Number, Driving License Number, Bank Account Number(s) and Passport Number(s) of our Promoter shall be submitted to NSE EMERGE at the time of filing this Draft Prospectus.

OTHER VENTURES OF OUR PROMOTER

Other than as disclosed in this chapter “*Our Promoter and Promoter Group*” and “*Our Group Companies*” on page 137 and 141, our promoter is not involved in any other ventures.

CHANGE IN THE MANAGEMENT AND CONTROL OF OUR COMPANY

Our Promoters are the original promoters of the Company and there has not been any change in the management or control of our company since incorporation as on the date of this Draft Prospectus. Manish Patel, Piyush Patel and Mansukhbhai Patel have been identified as promoters of our Company pursuant to a resolution passed by our Board on June 21, 2023. For further details of acquisition of Equity Shares by our Promoters, see “*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in our Company*” on 55.

INTEREST OF PROMOTERS

Interest in Promotion of our Company

Our Promoters are interested in our Company to the extent of the promotion of our Company and to the extent of their shareholding in our Company the shareholding of their relatives and entities in which our Promoters are interested and which hold Equity Shares in our Company and the dividend payable upon such shareholding and any other distributions in respect of their shareholding in our Company or the shareholding of their relatives or such entities, if any. For further details, please refer chapter titled “*Capital Structure*” beginning on pages 55 of this Draft Prospectus.

Manish Patel, Piyush Patel and Mansukhbhai Patel, promoters of our Company may also be deemed to be interested to the extent of remuneration, benefits, reimbursement of expenses, sitting fees and commission payable to them as Directors on our Board. For further details, please refer chapter titled “*Our Management*” beginning on 125 of this Draft Prospectus.

No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise, by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoters or by such firm or company, in connection with the promotion or formation of our Company.

Other ventures of our Promoters

Other than as disclosed in the chapter titled “*Our Promoter Group*” and “*Our Management - Board of Directors*” beginning on 137 and 125, respectively, our Promoters are not involved in any other ventures.

Interest in the properties of our Company

Other than the interest of our Directors, Manish Patel with respect to the lease of our Registered office of our Company, our Directors do not have any interest in any property acquired by our Company including in the preceding three years from the date of this Draft Prospectus. Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Draft Prospectus. For more details, please refer to chapter titled “*Business Overview*” beginning on page 98, in the chapter titled “*Restated Financial Statement*” beginning on page 143.

Our Promoters are not interested as members of a firm or company and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person, either to induce any of our Promoters to become, or qualify them as a director, or otherwise, for services rendered by such Promoter or by such firm or company in connection with the promotion or formation of our Company.

Confirmations

None of our Promoters and members of our Promoter Group have been declared as Wilful Defaulter or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters or fraudulent borrower issued by Reserve Bank of India.

None of our Promoters have been declared as Fugitive Economic Offenders. None of our Promoters and members of our Promoter Group have been debarred or prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

None of our Promoters are and have been a promoter, director or person in control of any other company which is debarred or prohibited from accessing capital markets under any order or direction passed by SEBI.

Common Pursuits of Our Promoters

Other than as disclosed in the chapters titled “*Our Promoter and Promoter Group*” and “*Our Management-Board of Directors*” on page 125 and 125, our Promoters are not involved with any ventures that are involved in any activities similar to those conducted by our Company:

Companies or firms with which our Promoters have disassociated in the last three years

None of our Promoters have disassociated themselves from any of the entities in the last three years.

Payment or Benefits to Our Promoter

Except in the ordinary course of business and as stated in chapter titled “*Restated Financial Statements-Related party transactions*” and “*Our Management-Payment or benefits to our Directors*” beginning on page 143 and 125 of this Draft Prospectus, there has been no payment or benefits to our Promoter since incorporation till the date of filing of this Draft Prospectus, nor there is any intention to pay or give any benefit to our Promoter and Promoter Group as on the date of this Draft Prospectus.

Material Guarantees given by our Promoters with respect to the Equity Shares

Our Promoters have not given any material guarantee to any third party in respect of the Equity Shares, as of this date of this Draft Prospectus.

OUR PROMOTER GROUP

Our Promoter Group in terms of Regulations 2(1) (pp) of the SEBI (ICDR) Regulations 2018, is as under:

A. The natural persons who are part of the Promoter Group (due to their relationships with our Promoter), other than our Promoter, are as follows:

| Relationship With Promoter | Manish Patel | Piyush Patel | Mansukhbhai Patel |
|----------------------------|---|--------------------------------------|---|
| Father | Mansukhbhai Patel | Mansukhbhai Patel | Late Kunvarjibhai Vaghashiya |
| Mother | Jayaben Patel | Jayaben Patel | Late Rajaiben Vaghashiya |
| Brother | Piyush Patel | Manish Patel | 1) Batukbhai Vaghashiya, 2) Vinubhai Vaghashiya, 3) Shantibhai Vaghashiya |
| Sister | -- | -- | -- |
| Spouse | Hina Patel | Rupal Patel | Jayaben Patel |
| Son | Dhyan Patel | -- | 1) Piyush Patel, 2) Manish Patel |
| Daughter | -- | Mayra Patel | -- |
| Spouse's Father | Vallabhabhai Miyani | Damjibhai Parmar | Late Laxmanbhai Kakadiya |
| Spouse's Mother | Ramuben Miyani | Vimlaben Parmar | Late Parvatiben Kakadiya |
| Spouse's Brother | 1) Chandubhai Miyani, 2) Late Rameshbhai Miyani | 1) Ashish Parmar, 2) Rahul Parmar | 1) Jivrajbhai Kakadiya, 2) Late Muljibhai Kakadiya |
| Spouse's Sister | 1) Sangeetaben Sonani, 2) Shilpaben Kakadiya, 3) Varshben Patel | -- | 1) Champaben Bhingradiya, 2) Kamlaben Gopani, 3) Late Ramuben Mangukiya |

B. Our Promoter Group as defined under Regulation 2(1) (pp) of SEBI ICDR Regulations 2018 includes entities, companies, firms, proprietorships and HUFs which form part of our Promoter Group are as follows:

- 1) Mansukhbhai Kunvarjibhai Patel – HUF;
- 2) Piyush Mansukhbhai Patel – HUF;
- 3) Manishbhai Mansukhbhai Patel – HUF;
- 4) Kakadiya Cement Depot (proprietary concern of Batukbhai Vaghashiya);
- 5) Mukesh Sonani HUF;
- 6) Krish Chem (proprietary concern of Sangeetaben Sonani);
- 7) Ambika mandap (proprietary concern of Shantibhai Vaghashiya);
- 8) Paresh P. Kakadiya HUF;
- 9) Jayesh M. Patel HUF
- 10) Chandubhai Vallabbhai Miyani HUF

SHAREHOLDING OF THE PROMOTER GROUP IN OUR COMPANY

For details of the shareholding of our Promoters and Promoter Group as on the date of this Draft Prospectus, please refer chapter titled “*Capital Structure*” on page 55 of this Draft Prospectus.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the terms “*group companies*”, includes (i) *such companies (other than promoter and Subsidiaries with which the relevant issuer company had related party transactions, had related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the issuer company.*

Accordingly, for (i) above, all such companies (other than the Promoters) with which there were related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, shall be considered as ‘Group Companies’ of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Financial Statements) shall be considered “material” and will be disclosed as a ‘group company’ in the offer documents, and the Company has entered into one or more transactions with such company during the last completed Financial year (or relevant sub period, if applicable), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed Financial as per the Restated Financial Statements.

Accordingly, based on the parameters outlined above, as on the date of this Draft Prospectus, our Company does not have any group companies.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The declaration of dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the financial year, capital requirements, and surpluses, contractual restrictions, liquidity and applicable taxes including dividend distribution tax payable by our Company and any other factors considered by our Board of Directors. The Articles of Association also provides discretion to our Board to declare and pay interim dividends. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, please refer chapter titled "***Financial Indebtedness***" beginning on page 191 of this Draft Prospectus.

All dividend payments are made in cash to the Shareholders of our Company. Our Company has not adopted any Dividend Distribution Policy as on the date of this Draft Prospectus since the requirements under Regulation 43A of SEBI Listing Regulations are not applicable to the Company. However, depending upon the availability of distributable profits and fund flow, dividends maybe recommended by the Board of Directors and shall pay dividends in accordance with the provisions of the Companies Act, 2013, the Memorandum of Association and Articles of Association and other Applicable Laws.

Our Company has not declared and/or paid any dividend on the Equity Shares since incorporation.

SECTION VI – FINANCIAL STATEMENTS

RESTATED FINANCIAL STATEMENT

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INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
IBL FINANCE LIMITED.**

I. Report on the Audit of the Restated Standalone Financial Statements

1. Opinion

- A. We have audited the accompanying Restated Standalone Financial Statements of **IBL FINANCE LIMITED** ("the Company"), which comprise the Restated Balance Sheet as at March 31, 2023, March 31, 2022 and March 31, 2021 the Restated Statement of Profit and Loss (including Other Comprehensive Income), and the Restated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Restated Standalone Financial Statements").
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Restated 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 March 31, 2023, March 31, 2022 and March 31, 2021 the Restated profit and total comprehensive income, and its cash flows for the year ended on that date

2. Basis for Opinion

We conducted our audit of the Restated Standalone Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Restated Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Restated financial statements under the provisions of the Act and the Rules made there under, 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Restated Standalone Financial Statements.

3. Information Other than the Restated Standalone Financial Statements and Auditor's Report Thereon

- A. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Restated Standalone Financial Statements and our auditor's report thereon. Our opinion on the Restated Standalone Financial

Head Office



Statements does not cover the other information and we do not express any form of assurance conclusion there on

- B. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Restated Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

4. Management's Responsibility for the Restated Standalone Financial Statements

- A. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Restated Standalone Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the restated standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
- B. In preparing the Restated Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is responsible for overseeing the Company's financial reporting process.

5. Auditor's Responsibilities for the Audit of the Restated Standalone Financial Statements

- A. Our objectives are to obtain reasonable assurance about whether the Restated 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 Restated Standalone Financial Statements.
- B. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- i) Identify and assess the risks of material misstatement of the restated 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

Head Office



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.

- ii) Obtain an understanding of internal financial controls 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.
 - iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - iv) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Restated 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.
 - v) Evaluate the overall presentation, structure, and content of the Restated Standalone Financial Statements, including the disclosures, and whether the Restated Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation
- C. Materiality is the magnitude of misstatements in the Restated Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Restated Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in
- i) planning the scope of our audit work and in evaluating the results of our work; and
 - ii) to evaluate the effect of any identified misstatements in the Restated Standalone Financial Statements.
- D. 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.
- E. 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.

Head Office



- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Restated Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

II. Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Restated Balance Sheet, the Restated Statement of Profit and Loss including Other Comprehensive Income, Restated Statement of Changes in Equity and the Restated Statement of Cash Flow dealt with by this Report are in agree with the relevant books of account.
 - D. In our opinion, the aforesaid Restated Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014
 - E. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - F. Since the Company's turnover as per last restated audited Financial Statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs.25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017;
 - G. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company did not have pending litigations on its financial position in its restated financial statements.
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii) There was no amount which was required to be transferred to Investor education and
 - iv) protection fund by the company.

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The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.

- v) The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("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;

Based on such audit procedures which we have 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 (iv) and (v) contain any material mis-statement.

- H. The company has not declared or paid any dividend during the year is in accordance with section 123 of the Companies Act 2013", Hence clause not applicable.

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

For V C A S & CO.

Chartered Accountants

FRN: 123372W

SD/-

CA. JAGDISH VAISHNAV

Partner (M. No. 139060)

UDIN: 23139060BGTLXB2275

Place: SURAT

Date: 04/08/2023



ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in our restated report to the members of IBL FINANCE LIMITED for the year ended 31st March, 2023, 31st March 2022, 31st March 21.

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
 - (a)
 - A. The company has maintained proper records showing full particulars of its Property, Plant and Equipment.
 - B. The company has maintaining proper records showing full particulars of intangible assets.
 - (b) These Property, Plant and Equipment have been physically verified by the management at reasonable intervals there was no Material discrepancies were noticed on such verification.
 - (c) According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company does not held any Immovable property and accordingly paragraph 3(i)(c) of the order not applicable.
 - (d) According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to the Information and Explanation given to us the company has not any proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2.
 - (a) The Company, being Non-Deposit taking Non – Banking Financial Company (NBFC-ND), does not have any inventory, accordingly reporting on paragraph 3(ii) of the order is not applicable.
 - (b) According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year.
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
 - (a) The company, being Non-Deposit taking Non – Banking Financial Company (NBFC-ND), accordingly reporting on paragraph 3(a) of the order is not applicable.
 - (b) The company has not made investments, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided during the year, so paragraph 3(b) of the order is not applicable.
 - (c) In respect of loans and advances in the nature of loans, the company has the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

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- (d) The company, being Non-Deposit taking Non – Banking Financial Company (NBFC-ND), accordingly reporting on paragraph 3(e) of the order is not applicable.
 - (e) The company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment, to Promoters, related parties as defined in clause (76) of section 2 of the Companies Act, 2013.
4. The company does not have any loans, investments, guarantees, and security all mandatory provisions of section 185 and 186 of the Companies Act, 2013. Accordingly paragraph 4 of the order not applicable.
 5. The Company has not accepted any deposits or amounts which are deemed to be deposits from the Public. Accordingly, clause 5 of the Order is not applicable.
 6. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, paragraph 6 of the Order is not applicable.
 - 7
 - (a) The company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
 - (b) Dues of income tax, Goods and Services Tax, provident fund, employees' state insurance have been deposited on time there is no dispute is pending on the part of company.
 8. There is no any transactions which is not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
 9.
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any financial institution, bank during the year. Accordingly, clause 9(a) of the Order is not applicable.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
 - (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 9(c) of the Order is not applicable.
 - (d) According to the information and explanations given to us by the management, the company has not raised any fund on short term basis. Accordingly, clause 9(d) of the Order is not applicable.
 - (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 9(e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in

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its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 9(f) of the Order is not applicable.

10. (a) The company has not raised any money by way of initial public offer or further public offer (including debt instruments).
(b) The company has made preferential allotment of 225282 equity shares of Rs. 10/- each fully paid were issued at a premium of Rs. 185 each and issue 1248415 equity shares of Rs. 10/- each fully paid were issued at a premium of Rs. 75 during the year.
11. (a) Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.
(b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government
(c) The auditor has not received any whistle-blower complaints during the year by the company.
12. (a) According to the information and explanations given to us, company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company. Accordingly, paragraph 12(a), (b), (c) of the order is not applicable.
13. According to the information and explanations given to us, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has not an internal audit system commensurate with the size and nature of its business. Accordingly, paragraph 14(a), (b) of the order is not applicable
15. According to the information and explanations given to us, the company hasn't entered into any non-cash transactions with directors or persons connected with him.
16. (a) According to the information and explanations given to us and based on our examination of the records of company, the company has obtained the certificate of registration on dated 8th March 2018 under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(c) The company, being Non-Deposit taking Non – Banking Financial Company (NBFC-ND) not Core Investment Company (CIC), accordingly reporting on paragraph 16(c) and (d) of the order is not applicable.
17. The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
18. There has not been any resignation of the statutory auditors during the year. Accordingly, paragraph 18 of the Order is not applicable.



19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
20. (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 20(a) and 20(b) of the Order are not applicable.

For V C A S & CO.

Chartered Accountants

FRN: 123372W

SD/-

CA. JAGDISH VAISHNAV

Partner (M. No. 139060)

UDIN: 23139060BGTLXB2275

Place: SURAT

Date: 04/08/2023

Annexure 1: Restated Summary Statement of Assets and Liabilities

| Particulars | Annexure | As at 31 March | | |
|---|----------|----------------|----------------|---------------|
| | | 2023 | 2022 | 2021 |
| Equity and liabilities | | | | |
| Shareholders' funds | | | | |
| Share capital | 5 | 909.03 | 326.00 | 326.00 |
| Reserves and surplus | 6 | 1139.71 | 29.47 | -13.27 |
| | | 2048.74 | 355.47 | 312.73 |
| Non-current liabilities | | | | |
| Long-term borrowings | 7 | 0.00 | 0.00 | 0.00 |
| Deferred tax liabilities (net) | 8 | 0.00 | 0.00 | 0.00 |
| Other long-term liabilities | | 0.00 | 0.00 | 0.00 |
| Long-term provisions | 9 | 14.10 | 5.21 | 4.38 |
| | | 14.10 | 5.21 | 4.38 |
| Current liabilities | | | | |
| Short-term borrowings | 7 | 9.12 | 640.58 | 0.00 |
| Trade payables | 10 | | 0.00 | 0.00 |
| - total outstanding dues of micro and small enterprises | | 0.00 | 0.00 | 0.00 |
| - total outstanding dues other than micro and small enterprises | | 6.59 | 2.21 | 0.14 |
| Other current liabilities | 11 | 38.47 | 8.11 | 6.30 |
| Short-term provisions | 9 | 101.08 | 11.28 | 15.54 |
| | | 155.26 | 662.17 | 21.98 |
| Total | | 2218.11 | 1022.85 | 339.10 |
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 12 | 15.87 | 9.63 | 4.30 |
| Intangible assets | 13 | 0.93 | 2.60 | 4.96 |
| Capital work-in-progress | | | | |
| Non-current investments | | 0.00 | 0.00 | 0.00 |
| Deferred tax assets (net) | 8 | 0.00 | 0.00 | 0.00 |
| Long-term loans and advances | 14 | 9.67 | 3.48 | 18.22 |
| Other non-current assets | | 0.00 | 0.00 | 0.00 |
| | | 26.46 | 15.70 | 27.48 |
| Current assets | | | | |
| Trade receivables | | 0.00 | 0.00 | 0.00 |
| Cash and bank balances | 15 | 104.45 | 127.95 | 41.33 |
| Short-term loans and advances | 14 | 1784.62 | 878.61 | 265.24 |
| Other current assets | 16 | 302.57 | 0.58 | 5.05 |
| | | 2191.64 | 1007.14 | 311.62 |
| Total | | 2218.11 | 1022.85 | 339.10 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information in Annexure 4.

As per our report of even date attached

For VCAS & Co.
Chartered Accountants
Firm Registration No.123372W

For and on behalf of the Board of Directors

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275
Place : Surat
Date : 04/08/2023

Unnati Mistry
CFO (KMP)
Place : Surat
Date : 04/08/2023

Dillip Chauhan
Company Secretary

| Particulars | Annexure | For the year ended 31 March | | |
|---------------------------------------|----------|-----------------------------|---------------|---------------|
| | | 2023 | 2022 | 2021 |
| Revenue | | | | |
| Revenue from operations | 17 | 1330.52 | 327.08 | 112.59 |
| Other income | 18 | 2.61 | 0.00 | 0.00 |
| Total revenue | | 1333.13 | 327.08 | 112.59 |
| Expenses | | | | |
| Employee benefits expense | 19 | 271.71 | 102.13 | 47.83 |
| Finance costs | 20 | 122.58 | 8.33 | 0.47 |
| Depreciation and amortisation expense | 21 | 5.21 | 5.19 | 6.37 |
| Provisions and Loan Losses | 22 | 322.37 | 70.19 | 12.33 |
| Other expenses | 23 | 336.74 | 84.71 | 54.87 |
| Total expenses | | 1058.61 | 270.55 | 121.86 |
| Profit before tax | | 274.52 | 56.53 | -9.27 |
| Tax expense | | | | |
| Current tax | | 81.69 | 13.80 | 0.61 |
| Deferred tax (credit)/charge | | 0.00 | 0.00 | 0.00 |
| Profit for the period / year | | 192.83 | 42.73 | -9.88 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4

As per our report of even date attached

For VCAS & Co.
Chartered Accountants
Firm Registration No.123372W

For and on behalf of the Board of Directors

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275
Place : Surat
Date : 04/08/2023

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

Unnati Mistry
CFO (KMP)
Place : Surat
Date : 04/08/2023

Dillip Chauhan
Company Secretary

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|----------------|---------------|
| | 2023 | 2022 | 2021 |
| A. Cash flow from operating activities | | | |
| Profit before tax, as restated | 286.36 | 57.96 | -4.53 |
| Adjustments for : | | | |
| Depreciation and amortisation expense | 0.00 | 0.00 | 0.00 |
| Unrealised loss / (gain) on foreign currency transactions and translations (net) | 0.00 | 0.00 | 0.00 |
| Finance costs | 8.83 | 2.06 | 0.47 |
| Sale of Fixed Assets | 0.20 | 0.00 | 0.00 |
| Transferred to bonus | 18.89 | 0.00 | 0.00 |
| Profit on Sale of Investments | 2.39 | 0.00 | 0.00 |
| Dividend income | 0.00 | 0.00 | 0.00 |
| Interest income on deposits | 0.00 | 0.00 | 0.00 |
| Operating profit before working capital changes | 273.71 | 60.02 | -4.05 |
| Changes in working capital: | | | |
| Increase / (decrease) in trade payables, liabilities and provisions | 120.47 | -0.99 | 8.05 |
| (Increase) / decrease in other Current Assets | -301.99 | 4.47 | -8.81 |
| (Increase) / decrease in loans and advances and other assets | -904.88 | -613.37 | -75.15 |
| Cash generated from / (utilised in) operations | -812.70 | -549.87 | -79.96 |
| Less : Income tax paid | 81.69 | 13.80 | 0.61 |
| Net cash flow generated from/ (utilised in) operating activities (A) | -894.39 | -563.67 | -80.58 |
| B. Cash flow from investing activities | | | |
| Purchase of property, plant and equipment (including intangible assets and intangible assets under development) | -4.57 | -2.97 | 2.69 |
| Increase/(Decrease) Loan given | -6.19 | 14.74 | 62.83 |
| Profit on Sale of Investments | 2.39 | 0.00 | 0.00 |
| Sale of Fixed Assets | 0.20 | 0.00 | 0.00 |
| Net cash flow utilised in investing activities (B) | -8.17 | 11.77 | 65.52 |
| C. Cash flow from financing activities | | | |
| Increase/(Decrease) in Unsecured Loan | -631.45 | 640.58 | 0.00 |
| Increase/(Decrease) in Bank Loan | 0.00 | 0.00 | 0.00 |
| Dividend paid | 0.00 | 0.00 | 0.00 |
| Proceeds from / (repayment of) short-term borrowings (net) | 0.00 | 0.00 | 0.00 |
| Interest & Financial Charges | -8.83 | -2.06 | -0.47 |
| Proceeds from issuance of shares | 1519.34 | 0.00 | 0.00 |
| Net cash flow generated from/ (utilised in) financing activities (C) | 879.06 | 638.52 | -0.47 |
| Net (decrease)/ increase in cash & cash equivalents (A+B+C) | -23.50 | 86.62 | -15.53 |
| Cash and cash equivalents at the beginning of the period/ year | 127.95 | 41.33 | 56.86 |
| Cash and cash equivalents at the end of the period/ year | 104.45 | 127.95 | 41.33 |
| (Refer Annexure 19) | 104.45 | 127.95 | 41.33 |

Note:

The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure 4.

The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard 3, 'Cash Flow Statements' notified under Section 133 of the Companies Act, 2013.

As per our report of even date attached

CA. Jagdish Vaishnav
Chartered Accountants
Firm Registration No.123372W

CA. Jagdish Vaishnav
Partner
M.No. 139060
UDIN: 23139060BGTLXB2275

Place : Surat
Date : 04/08/2023

For and on behalf of the Board of Directors

Manish M. Patel
Managing Director
DIN: 07840184

Piyush M. Patel
Whole Time Director
DIN: 07838311

Unnati Mistry
CFO (KMP)

Dillip Chauhan
Company Secretary

Place : Surat
Date : 04/08/2023

IBL Finance Limited

Annexure 4: Statement of Notes to Restated Financial Information

A. Background of the Company

IBL Finance Limited (the "Company") was founded in 03/08/2017 and is based out of Gujarat. The Company was converted from private limited to public limited company and consequently, has changed its name from IBL Finance Private Limited to IBL Finance Limited, the same being registered with Registrar of Companies on 18/05/2023.

The Company is a Non-Systemically Important (Non-Deposit taking) Non-Banking Financial Company ("NBFC-ND") and holding a Certificate of Registration No. B.01.00589 dated 8th March, 2018 from the Reserve Bank of India ("RBI"). The Company is in the business of lending with primary focus on SME loans. The Company has migrated to lending through digital platform. The Company offers micro loans to small and micro enterprises, self employed, salaried persons, etc through their digital platform <https://iblfinance.in/>, which is a web based and mobile based application.

B. Summary of significant accounting policies

a) Basis of preparation of financial statements

The Restated Summary Statement of Assets and Liabilities of the Company as at 31 March 2023, 31 March 2022, 2021, the Restated Summary Statement of Profit and Loss and the Restated Summary Statement of Cash Flows for the period/ years ended 31 March 2023, 31 March 2022, 2021, and the annexures thereto (herein collectively referred to as 'Restated Financial Information') have been compiled by the management of the Company from the then audited financial statements of the Company for the period/ years ended 31 March 2023, 31 March 2022, 31 March 2021, and have been prepared specifically for the purpose of inclusion in the Offer Document to be filed by the Company with the SME portal of a nation wide stock exchange

These aforementioned audited financial statements were prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the historical cost convention on accrual basis. These audited financial statements have been prepared to comply in all material aspects with the Accounting Standards prescribed by the Central Government, Section 133 of the Companies Act, 2013 (the "Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) and the relevant provisions of the Act/ Companies Act, 1956, as applicable.

The Restated Financial Information have been prepared to comply in all material aspects with the requirements of Section 26(1)(b) of the Act read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended from time to time).

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III to the Companies Act, 2013. Based on nature of products/services, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

The aforementioned Restated Financial Information have been prepared in Indian Rupee (INR)

b) Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumption considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year the managements believes that the estimates used in preparation of the financial statement are prudent and recognised in the periods in which the results are know /materialise.

c) Depreciation

Depreciable amount for assets is the cost of an asset less its estimated residual value. Depreciation on Tangible Assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Act. In respect of Tangible Assets purchased or put to use during the period, depreciation is provided on a pro-rata basis from the date on which such asset is purchased or put to use.

Intangible Assets are stated at cost and are amortised equally over a period of three years from the year of purchase.

Annexure 4: Statement of Notes to Restated Financial Information

d) Revenue recognition

- i) Revenue recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.
 - i. Interest income is recognized in the statement of profit and loss on an accrual basis. In case of Non-Performing Assets (NPA) interest income is recognised upon realisation as per the RBI Guideline. Interest accrued and not realised before the classification of the assets as an NPA is reversed in the month in which the loan is classified as NPA.
 - ii. Upfront/processing fees are recovered and recognised at the time of disbursement of loan/receipt.
 - iii. Interest Income on other deposits is recognised on a time proportion basis. Income from dividend is recognized in the statement of profit and loss when the right to receive is established.
 - iv. Profit/Loss on deposal of an investment is recognised at the time of such sale/redemption and is computed based on weighted average cost

e) Property, plant and equipment

Tangible and Intangible Assets are carried at cost, less accumulated depreciation/amortisation and impairment losses, if any. The cost of Tangible and Intangible Assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure on Tangible and Intangible Assets after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

f) Investments

Long -terms investment (excluding investment properties), are carried individually at cost. Current investments are carried individually at the lower of cost and fair value. Cost of investment includes acquisition charges such as brokerage, fees and duties.

g) Employee benefits

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

i) Defined benefit plans:

The Company has defined benefit plan in the form of gratuity. The same is determined by actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The actuarial valuation method used by independent actuary for measuring the liability is the Projected Unit Credit Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Statement of Profit and Loss as income or expense.

ii) Compensated absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short-term employee benefits. The obligation towards the compensated absences is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is discharged in the Statement of Profit and Loss in the year in which they arise.

h) Borrowing costs

Borrowing Costs include interest and amortisation of other ancillary costs incurred in connection with borrowings. Costs incurred in connection with borrowing of funds to the extent not directly related to acquisition of a qualifying asset are charged to the Statement of Profit and Loss over the tenure of the loan.

Annexure 4: Statement of Notes to Restated Financial Information

i) Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provision of the income tax act, 1961 deferred tax is recognised on timing differences, being the taxable income and the accounting income that originate in period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rate and the tax laws enacted as at the reporting date deferred tax liabilities are recognised for all timing differences. deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realised such assets deferred tax assets recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and company has a legally enforceable right such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

j) Impairment of assets

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and if the carrying amount of these assets exceeds their recoverable amount, impairment loss is recognised in the Statement of Profit and Loss as an expense, for such excess amount. The recoverable amount is the greater of the net selling price and value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

Annexure 4: Statement of Notes to Restated Financial Information

k) Provisions and contingent liabilities

A provision is recognized when there is present obligation as a result of past event, and it is probable that an outflow of resources will be required to settle the obligation. In respect of which a reliable estimate can be made. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc., are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

j) Classification And Provisioning On Receivables From Financing Activities

Receivable from financing activities are recognised on disbursement of loan to customers. Receivable from financing activities are classified as standard, sub-standard and doubtful assets and provided for as per the Company's policy and Management's estimates, subject to the minimum classification and provisioning norms as per the Master Direction - Non-Banking Financial Company - Non-Systematically important Non-Deposit taking Company (Reserve Bank) Directions, 2016. The RBI has now harmonised the NPA norms for all NBFCs to 90 days. This amendment will impact the NBFCs in the base layer, which includes the NBFCND (i.e. the non-systemically important, non-deposit taking NBFCs). Accordingly, a guide path has been provided to NBFCs in the base layer to adhere to the 90 days NPA norm till 2026. we have been following the practice of 90 days NPA norms.

Annexure 5: Restated Statement of Share capital

| Particulars | As at 31 March | | |
|---|----------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Authorised share capital | | | |
| Equity shares of ₹ 10 each | | | |
| - Number of shares | 100.00 | 36.00 | 36.00 |
| - Amount in ₹ | 1000.00 | 360.00 | 360.00 |
| | 1000.00 | 360.00 | 360.00 |
| Issued, subscribed and fully paid up | | | |
| Equity shares of ₹ 10 each | | | |
| - Number of shares | 90.90 | 32.60 | 32.60 |
| - Amount in ₹ | 909.03 | 326.00 | 326.00 |
| | 909.03 | 326.00 | 326.00 |

a) Reconciliation of equity share capital

| Particulars | For the year ended 31 March | | |
|--|-----------------------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Balance at the beginning of the period/year | | | |
| - Number of shares | 32.60 | 32.60 | 32.60 |
| - Amount in ₹ | 326.00 | 326.00 | 326.00 |
| Add: Shares issued during the period/year | | | |
| - Number of shares | 58.30 | 0.00 | 0.00 |
| - Amount in ₹ | 583.03 | 0.00 | 0.00 |
| Balance at the end of the period/year | | | |
| - Number of shares | 90.90 | 32.60 | 32.60 |
| - Amount in ₹ | 909.03 | 326.00 | 326.00 |

Annexure 5: Restated Statement of Share capital

(Amount in Lakhs)

b) Shareholders holding more than 5% of the shares of the Company

| Particulars | As at 31 March | | |
|-----------------------------------|----------------|--------|--------|
| | 2023 | 2022 | 2021 |
| Equity shares of ₹ 10 each | | | |
| Manishbhai M. Patel | | | |
| - Number of shares | 9.56 | 3.90 | 3.90 |
| - Percentage holding (%) | 10.52% | 11.96% | 11.96% |
| Piyusbhai M. Patel | | | |
| - Number of shares | 14.50 | 6.20 | 6.20 |
| - Percentage holding (%) | 15.95% | 19.02% | 19.02% |
| Mansukhbhai K. Patel | | | |
| - Number of shares | 9.69 | 4.07 | 4.07 |
| - Percentage holding (%) | 10.66% | 12.48% | 12.48% |
| Mansukhbhai K. Patel HUF | | | |
| - Number of shares | 4.76 | 2.00 | 2.00 |
| - Percentage holding (%) | 5.24% | 6.13% | 6.13% |
| Jayaben M. Patel | | | |
| - Number of shares | 7.08 | 2.90 | 2.90 |
| - Percentage holding (%) | 7.79% | 8.90% | 8.90% |
| Manishbhaia M. Patel HUF | | | |
| - Number of shares | 13.89 | 2.15 | 2.15 |
| - Percentage holding (%) | 15.29% | 6.60% | 6.60% |
| Hina Manishbhai Patel | | | |
| - Number of shares | 9.13 | 3.81 | 3.81 |
| - Percentage holding (%) | 10.04% | 11.69% | 11.69% |

d) Shares held by Promoters at the end of

| Particulars | As at 31 March | | |
|--------------------------|----------------|--------|--------|
| | 2023 | 2022 | 2021 |
| Manish M. Patel | | | |
| - Number of shares | 9.56 | 3.90 | 3.90 |
| - Percentage holding (%) | 10.52% | 11.96% | 11.96% |
| Piyush M. Patel | | | |
| - Number of shares | 14.50 | 6.20 | 6.20 |
| - Percentage holding (%) | 15.95% | 19.02% | 19.02% |
| Mansukhbhai K. Patel | | | |
| - Number of shares | 9.69 | 4.07 | 4.07 |
| - Percentage holding (%) | 10.66% | 12.48% | 12.48% |

e) Equity shares movement during 3 years preceding

| Particulars | 2023 | 2022 | 2021 |
|--|-------|-------|-------|
| Equity Shares | 90.90 | 32.60 | 27.60 |
| At beginning of the Financial Year | 32.60 | | |
| Conversion of Loan into Equity Shares (20.02.2023) | 2.25 | | |
| Equity Shares Issued As Bouns (17.03.2023) | 43.57 | | |
| Conversion of Loan into Equity Shares (30.03.2023) | 12.48 | | |

- a) The Board of Directors pursuant to a resolution dated 10th Feb,2023 and the shareholders special resolution dated 18th Feb, 2023 have approved the issuance of 2,25,282 equity shares of face value Rs. 10 each at a premium of Rs. 185/- per equity share
- b) The Board of Directors pursuant to a resolution dated 21st Feb, 2023 and the shareholders special resolution dated 16th March, 2023 have approved the issuance of 5 bonus equity shares of face value Rs. 10 each for every 4 existing fully paid up equity share of face value Rs. 10 each and accordingly 43,56,628 bonus equity shares were issued and allotted in accordance with the Section 63 of the Companies Act, 2013
- c) The Board of Directors pursuant to a resolution dated 22th March, 2023 and the shareholders special resolution dated 29th March, 2023 have approved the issuance of 12,48,415 equity shares of face value Rs. 10 each at a premium of Rs. 75 per equity share

f) Sub-division and increased of authorised share capital

Pursuant to a special resolution at the meeting of the members of the company held on 08 August, 2017 has been increased the authorised share capital of the company from existing INR 1,00,000/- to revised INR 2,10,00,000/- (addition INR 2,09,00,000/-).

Pursuant to a special resolution at the meeting of the members of the company held on 06 August, 2018 has been increased the authorised share capital of the company from existing INR 2,10,00,000/- to revised INR 3,60,00,000/- (addition INR 1,50,00,000/-).

Pursuant to a special resolution at the meeting of the members of the company held on 17 Decmber, 2022 has been increased the authorised share capital of the company from existing INR 3,60,00,000/- to revised INR 10,00,00,000/- (addition INR 6,40,00,000/-).

Annexure 6: Restated Statement of Reserves and surplus

(Amount in Lakhs)

| Particulars | As at 31 March | | |
|--|----------------|--------------|---------------|
| | 2023 | 2022 | 2021 |
| A. Securities premium account | | | |
| Balance at the beginning of the period / year | 0.00 | 0.00 | 0.00 |
| Add : On shares issued | 1353.08 | 0.00 | 0.00 |
| Less : Utilisation of Issue Bonus shares | 416.77 | 0.00 | 0.00 |
| Balance at the end of the period/year | 936.31 | 0.00 | 0.00 |
| B. Surplus in the Restated Summary Statement of Profit and Loss | | | |
| Balance at the beginning of the period/year | 20.28 | -13.62 | -3.74 |
| Add : Transferred from the Restated Summary Statement of Profit and Loss | 192.83 | 42.73 | -9.88 |
| Less: Transferred to Statutory Reserve u/s. 45-IC | 40.93 | 8.83 | 0.00 |
| Less: Bonus Shares | 18.89 | 0.00 | |
| Balance at the end of the period/year | 153.28 | 20.28 | -13.62 |
| C. Statutory Reserves Fund (45-IC) | | | |
| Balance at the beginning of the period / year | 9.18 | 0.35 | 0.35 |
| Add : On shares issued | 40.93 | 8.83 | 0.00 |
| Balance at the end of the period/year | 50.11 | 9.18 | 0.35 |
| | | | |
| | 1139.71 | 29.47 | -13.27 |

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Annexure 7: Restated Statement of Long- term borrowings

(Amount in Lakhs)

| Particulars | As at 31 March | | | | | |
|---------------------------------------|----------------|-------------|-------------|---------------|-------------|-------------|
| | 2023 | | 2022 | | 2021 | |
| | Long-term | Short-term | Long-term | Short-term | Long-term | Short-term |
| Unsecured | | | | | | |
| (a) Loans from related parties | | | | | | |
| From Directors | 0.00 | 0.00 | 0.00 | 21.10 | 0.00 | 0.00 |
| From Relatives of Directors | 0.00 | 0.00 | 0.00 | 55.43 | 0.00 | 0.00 |
| Other Loans and advances | 0.00 | 0.00 | 0.00 | 36.65 | 0.00 | 0.00 |
| | 0.00 | 0.00 | 0.00 | 113.18 | 0.00 | 0.00 |
| (b) Deposits | | | | | | |
| Intercorporate Deposits | 0.00 | 9.12 | 0.00 | 527.40 | 0.00 | |
| | 0.00 | 9.12 | 0.00 | 527.40 | 0.00 | 0.00 |
| | 0.00 | 9.12 | 0.00 | 640.58 | 0.00 | 0.00 |

a) Loans and advances from related parties (Directors)

Interest free loans from directors and Relatives of Directors repayable on demand

b) Inter - Corporate Deposits:-

NBFC Shall Pay the interest at 9.77% PA for the Financial assistance Received from AFG Business Solutions Private Limited repayable on demand.

Annexure 8: Deferred tax assets

| Particulars | As at 31 March | | |
|--|----------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Deferred tax liabilities | | | |
| Depreciation and amortisation | | 0.16 | 0.20 |
| | | 0.16 | 0.20 |
| Deferred tax assets | | | |
| Provision for Standard Assets | | 1.39 | 0.83 |
| Provision for Sub Standard Assets | | 4.77 | 1.32 |
| | | 6.16 | 2.14 |
| | | | |
| Deferred tax assets / (liabilities) | | - | - |

In accordance with Accounting Standard 22 on "Accounting for taxes on income", in the absence of virtual certainty supported by convincing evidence, no deferred tax assets has been created and recognised by the company as at the balance sheet date.

Annexure 9: Restated Statement of Provisions

| Particulars | As at 31 March | | | | | |
|---|----------------|---------------|-------------|--------------|-------------|--------------|
| | 2023 | | 2022 | | 2021 | |
| | Long-term | Short-term | Long-term | Short-term | Long-term | Short-term |
| Others | | | | | | |
| Provision for Standard Assets | 0.00 | 5.54 | 0.00 | 3.29 | 0.00 | 0.84 |
| Provision for Sub Standard Assets & Doubtful Assets | 0.00 | 18.94 | 0.00 | 5.23 | 0.00 | 13.73 |
| Provision for Tax (Net of Advance Tax) | 0.00 | 72.69 | 0.00 | 1.80 | 0.00 | 0.61 |
| Provision for Gratuity | 14.10 | 3.90 | 5.21 | 0.96 | 4.38 | 0.36 |
| | 14.10 | 101.08 | 5.21 | 11.28 | 4.38 | 15.54 |

(a) Gratuity

The Company provides for gratuity benefit under a defined benefit retirement scheme (the "Gratuity Scheme") as laid out by the Payment of Gratuity Act, 1972 of India covering eligible employees. The Gratuity Scheme provides for a lump-sum payment to employees who have completed at least five years of service with the Company, based on salary and tenure of employment. Liabilities with regard to the Gratuity Scheme are determined by actuarial valuation carried out using the Projected Unit Credit Method by an independent actuary. The Gratuity Scheme is a non-funded scheme and the Company intends to discharge this liability through its internal resources.

Annexure 10: Restated Statement of Trade payables

| Particulars | As at 31 March | | |
|--|----------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Dues of micro and small enterprises (refer note below) | - | - | - |
| Dues other than micro and small enterprises | 6.59 | 2.21 | 0.14 |
| | 6.59 | 2.21 | 0.14 |

Note: Micro and Small Enterprises

The Company is in the process of obtaining necessary confirmations from suppliers regarding their status under the Micro, Small and Medium Enterprises (MSME) Development Act, 2006 (the 'Act') and hence disclosures regarding the following have not been made:

- i. Amount due and outstanding to MSME suppliers as at the end of the accounting period / year.
- ii. Interest paid during the period / year to MSME.
- iii. Interest payable at the end of the accounting period / year to MSME.
- iv. Interest accrued and unpaid at the end of the accounting period / year to MSME.

Management believes that the figures for disclosures, if any, will not be significant.

Annexure 11: Restated Statement of Other current liabilities

| Particulars | As at 31 March | | |
|----------------------|----------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Statutory dues | 15.88 | 1.37 | 0.23 |
| Outstanding expenses | 22.59 | 6.75 | 6.07 |
| | 38.47 | 8.11 | 6.30 |

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IBL Finance Limited

Annexure 12: Restated Statement of Property, plant and equipment

(Amount in Lakhs)

| Gross block | Furniture and fixtures | Air Conditions | Electronic Gadgets | Computers | Laptop | Total |
|--|------------------------|----------------|--------------------|--------------|-------------|--------------|
| Balance as at 1 April 2020 | 0.92 | 0.96 | 0.84 | 6.36 | 0.30 | 9.38 |
| Additions | 0.00 | 0.00 | 0.10 | 0.00 | 0.00 | 0.10 |
| Balance as at 31 March 2021 | 0.92 | 0.96 | 0.94 | 6.36 | 0.30 | 9.48 |
| Additions | 6.38 | 0.00 | 0.00 | 0.91 | 0.00 | 7.29 |
| Balance as at 31 March 2022 | 7.29 | 0.96 | 0.94 | 7.27 | 0.30 | 16.77 |
| Additions | 0.13 | 0.00 | 3.01 | 6.22 | 0.43 | 9.79 |
| Disposals | 0.00 | 0.00 | 0.00 | 0.22 | 0.00 | 0.22 |
| Balance as at 31 March 2023 | 7.43 | 0.96 | 3.95 | 13.27 | 0.73 | 26.34 |
| Accumulated depreciation and amortisation | | | | | | |
| Balance as at 1 April 2020 | 0.15 | 0.21 | 0.34 | 1.71 | 0.18 | 2.60 |
| Depreciation charge | 0.09 | 0.12 | 0.27 | 2.01 | 0.10 | 2.59 |
| Balance as at 31 March 2021 | 0.24 | 0.33 | 0.62 | 3.72 | 0.28 | 5.18 |
| Depreciation charge | 0.14 | 0.12 | 0.18 | 1.51 | 0.01 | 1.96 |
| Balance as at 31 March 2022 | 0.38 | 0.45 | 0.79 | 5.23 | 0.29 | 7.14 |
| Depreciation charge | 0.70 | 0.12 | 0.58 | 2.07 | 0.07 | 3.54 |
| Transferred to retained earnings | 0.00 | 0.00 | 0.00 | 0.21 | 0.00 | 0.21 |
| Balance as at 31 March 2023 | 1.08 | 0.57 | 1.37 | 7.09 | 0.35 | 10.47 |
| Net block | | | | | | |
| Balance as at 31 March 2021 | 0.68 | 0.63 | 0.33 | 2.64 | 0.02 | 4.30 |
| Balance as at 31 March 2022 | 6.92 | 0.51 | 0.15 | 2.04 | 0.02 | 9.63 |
| Balance as at 31 March 2023 | 6.35 | 0.39 | 2.58 | 6.17 | 0.38 | 15.87 |

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Annexure 13: Restated Statement of Intangible assets

| Gross block | Computer software | Total |
|------------------------------------|-------------------|--------------|
| Balance as at 1 April 2020 | 7.76 | 7.76 |
| Additions | 2.70 | 2.70 |
| Balance as at 31 March 2021 | 10.46 | 10.46 |
| Additions | 0.00 | 0.00 |
| Balance as at 31 March 2022 | 10.46 | 10.46 |
| Additions | 0.00 | 0.00 |
| Balance as at 31 March 2023 | 10.46 | 10.46 |
| Accumulated amortisation | | |
| Balance as at 1 April 2020 | 2.59 | 2.59 |
| Amortisation charge | 2.91 | 2.91 |
| Balance as at 31 March 2021 | 5.50 | 5.50 |
| Amortisation charge | 2.36 | 2.36 |
| Balance as at 31 March 2022 | 7.86 | 7.86 |
| Amortisation charge | 1.67 | 1.67 |
| Balance as at 31 March 2023 | 9.53 | 9.53 |
| Net block | | |
| Balance as at 31 March 2021 | 4.96 | 4.96 |
| Balance as at 31 March 2022 | 2.60 | 2.60 |
| Balance as at 31 March 2023 | 0.93 | 0.93 |

Annexure 14: Restated Statement of Loans and advances

(Amount in Lakhs)

| Particulars | As at 31 March | | | | | |
|--|----------------|----------------|-------------|---------------|--------------|---------------|
| | 2023 | | 2022 | | 2021 | |
| | Long-term | Short-term | Long-term | Short-term | Long-term | Short-term |
| (a) Loans and Advances Financing Activities | | | | | | |
| Unsecured, considered good | 0.00 | 1385.41 | 1.48 | 819.79 | 17.22 | 196.54 |
| Unsecured, considered doubtful | 0.00 | 75.76 | 0.00 | 20.92 | 0.00 | 49.02 |
| | 0.00 | 1461.18 | 1.48 | 840.71 | 17.22 | 245.56 |
| (b) Accruals | | | | | | |
| i. Interest accrued and due on loans | 0.00 | 204.05 | 0.00 | 14.15 | 0.00 | 26.55 |
| ii. Interest accrued but not due on loans | 0.00 | 48.38 | 0.00 | 14.57 | 0.00 | 8.45 |
| iii. Other accruals on loans | 0.00 | 104.43 | 0.00 | 30.71 | 0.00 | 55.26 |
| | 0.00 | 356.86 | 0.00 | 59.43 | 0.00 | 90.27 |
| Less: Interest and other charges on loan suspenses | 0.00 | 33.42 | 0.00 | 21.53 | 0.00 | 70.59 |
| | 0.00 | 323.44 | 0.00 | 37.90 | 0.00 | 19.68 |
| Office deposits | 9.67 | 0.00 | 2.00 | 0.00 | 1.00 | 0.00 |
| | 9.67 | 1784.62 | 3.48 | 878.61 | 18.22 | 265.24 |

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Annexure 15: Restated Statement of Cash and bank balances

| Particulars | As at 31 March | | |
|----------------------------------|----------------|---------------|--------------|
| | 2023 | 2022 | 2021 |
| Cash and cash equivalents | | | |
| Cash on hand | 17.61 | 33.50 | 38.61 |
| Balances with banks | | | |
| - in current accounts | 82.02 | 10.32 | 2.59 |
| - in Wallets | 4.82 | 84.13 | 0.13 |
| | 104.45 | 127.95 | 41.33 |
| | | | |
| | 104.45 | 127.95 | 41.33 |

Annexure 16: Restated Statement of Other current assets

| Particulars | As at 31 March | | |
|--|----------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| (a) Balance with government authorities | | | |
| GST Input Tax Credit pending in 2B | 0.37 | 0.00 | 0.61 |
| TDS Receivables | 0.00 | 0.20 | 0.00 |
| (b) Others: | | | |
| Other Assets | 0.26 | 0.00 | 1.62 |
| Advance to Suppliers | 301.94 | 0.38 | 1.95 |
| Preliminary & Pre-Operative Expenses | 0.00 | 0.00 | 0.87 |
| | 302.57 | 0.58 | 5.05 |

The Company has proposed to start new branches across the state of Gujarat and Maharashtra during the Financial year 2022-23. Accordingly, advance amount was paid to various vendors/suppliers. Pending the branch becoming operational, the amount paid is shown as advance to suppliers.

Annexure 17: Restated Statement of Revenue from operations

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Revenue from operations | | | |
| (a) Interest Income from Financing Activities | 1183.18 | 316.24 | 108.96 |
| (b) Other Fees and Charges | 147.34 | 10.84 | 3.63 |
| | 1330.52 | 327.08 | 112.59 |

Annexure 18: Restated Statement of Other income

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Profit on sale of Fixed Assets (Computers) | 0.19 | 0.00 | 0.00 |
| Short Term Capital Gain in Mutual Funds | 2.39 | 0.00 | 0.00 |
| FD Interest | 0.03 | 0.00 | 0.00 |
| | 2.61 | 0.00 | 0.00 |
| Profit before tax | 274.52 | 56.53 | -9.27 |
| % of other income to profit before tax | 0.95% | 0% | 0% |

Annexure 19: Restated Statement of Employee benefits expense

| Particulars | For the year ended 31 March | | |
|----------------------------------|-----------------------------|---------------|--------------|
| | 2023 | 2022 | 2021 |
| Salary Expenses | 57.84 | 23.92 | 11.28 |
| Directors' Remuneration | 120.00 | 26.91 | 23.20 |
| Bonus & Employee Incentives | 3.53 | 1.05 | 2.33 |
| PF & ESI Employers' Contribution | 4.30 | 1.18 | 0.48 |
| Staff welfare Expenses | 3.12 | 1.09 | 0.41 |
| HRA Expenses | 41.86 | 9.76 | 5.39 |
| Employee Training Expenses | 19.58 | 30.11 | 0.00 |
| Performance Incentive Expenses | 9.65 | 6.68 | 0.00 |
| Gratuity | 11.84 | 1.43 | 4.74 |
| | 271.71 | 102.13 | 47.83 |

Annexure 20: Restated Statement of Finance costs

| Particulars | For the year ended 31 March | | |
|--|-----------------------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Bank Charges & Commission | 8.83 | 2.06 | 0.47 |
| Interest on Inter Corporate Deposite & Loans | 113.76 | 6.27 | 0.00 |
| | 122.58 | 8.33 | 0.47 |

(Amount in Lakhs)

IBL Finance Limited

(Amount in Lakhs)

Annexure 21: Restated Statement of Depreciation and amortisation expense

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Depreciation and amortisation expense (Refer Annexure 12 and 13) | 5.21 | 4.32 | 5.49 |
| Preliminary Exps. Written off | 0.00 | 0.87 | 0.87 |
| | 5.21 | 5.19 | 6.37 |

Annexure 22: Provisions and Loan Losses

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Loss Assets written off (Bad debts) - Current Year* | 306.40 | 62.51 | 6.14 |
| Provision for Standard Assets | 2.26 | 2.45 | -0.05 |
| Provision for Non Performing Assets | 13.71 | 5.23 | 6.23 |
| | 322.37 | 70.19 | 12.33 |

* Considering the change in our product offerings, we have adopted the principle to write-off NPA's after 120 days starting from the financial year ending March 31, 2022, as against 456 days followed earlier

Annexure 23: Restated Statement of Other expenses

| Particulars | For the year ended 31 March | | |
|--|-----------------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Audit Fees | 0.28 | 0.28 | 0.28 |
| Advertisement Exps. | 46.59 | 7.03 | 4.99 |
| Business Support Services | 19.21 | 0.00 | 0.00 |
| Collection Expenses | 12.63 | 0.00 | 2.89 |
| Credit Information Report Charges | 14.63 | 2.18 | 0.88 |
| Documentation Charges | 6.32 | 0.69 | 0.00 |
| Electricity Bill | 1.75 | 0.65 | 0.35 |
| Event Management Exps. | 22.89 | 0.00 | 0.00 |
| Field Investigation & Credit Control | 26.35 | 15.17 | 1.00 |
| GST Expenses | 6.99 | 1.10 | 1.17 |
| Housekeeping | 10.69 | 3.84 | 2.81 |
| Interest on TDS Payable | 0.00 | 0.00 | 0.05 |
| Internet Expenses | 0.45 | 0.44 | 0.13 |
| Legal Expenses | 0.87 | 3.57 | 0.67 |
| Maintenance & Repair Expenses | 12.27 | 1.92 | 0.98 |
| Marketing Expenses | 65.16 | 13.69 | 11.86 |
| Membership Fees | 0.47 | 0.20 | 0.25 |
| Miscellaneous Expenses | 0.13 | 2.62 | 0.46 |
| Office Expenses | 1.61 | 1.43 | 0.09 |
| Outsourcing Charges | 8.36 | 0.00 | 0.00 |
| Postage, Courier & Stationery Expenses | 1.21 | 0.32 | 3.01 |
| Professional Fees | 13.37 | 0.24 | 0.23 |
| Professional Tax | 0.02 | 0.02 | 0.02 |
| Promotion Expenses | 24.60 | 21.52 | 15.20 |
| Rent Expenses | 15.68 | 5.72 | 3.98 |
| Software Maintenance & Server Fees | 6.53 | 0.00 | 0.00 |
| Stamp Duty E-filing | 8.00 | 0.00 | 0.00 |
| Statutory Fees RoC | 0.04 | 0.04 | 0.03 |
| Telephone Expenses | 8.31 | 1.69 | 0.33 |
| Travelling Expenses | 0.81 | 0.25 | 3.15 |
| Vehicle Parking Expenses | 0.13 | 0.09 | 0.07 |
| Website Design and Development Charges | 0.40 | 0.00 | 0.00 |
| Rounding Off (+,-) | 0.00 | 0.00 | 0.00 |
| | 336.74 | 84.71 | 54.87 |

Note: Auditor's remuneration (excluding tax)

| Particulars | For the year ended 31 March | | |
|---------------------------|-----------------------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| As auditor | | | |
| Statutory audit | 0.16 | 0.16 | 0.16 |
| Tax audit | 0.12 | 0.12 | 0.12 |
| Reimbursement of expenses | 0.00 | 0.00 | 0.00 |
| | 0.28 | 0.28 | 0.28 |

IBL Finance Limited

a) Tax Expenses

Current Tax Provision made during the years.

b) Significant components of Deferred Tax charged during the year

There is no Deferred Tax charged during the year.

c) Contingent Liabilities and Commitments

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not any present obligation as result of past event and not any contingent liabilities and commitments during the year.

d) Capital Commitments

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not any capital commitments during the year

e) Leases : operating leases

The Company does not taken any commercial premises on operating leases.

f) Disclosure of liability of gratuity and compensated absences

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not any liabilities of gratuity and compensated absences.

g) Segment reporting

The Company is engaged is one segment only i.e. Loan Segaments and hence there are no separate reportable segment.

h) Regrouped/Rearranged

Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.

i) Title deed of immoveble property not held in the name of company

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, there has not any title deed of immovable property in the name of company.

j) Benami property

The company does not have any Benami property, where any proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.

k) Security of Current Assets Against Borrowings

The company does not have any borrowings against any security of current assets.

l) wilful defaulter

The company is not declared as wilful defaulter by any bank or financial Institution or other lender.

m) Transactions with struck off companies

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

n) Registration of charges or satisfaction with Registrar of Companies

The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

o) Scheme of Arrangements

There is no Scheme of Arrangements approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.

p) Utilisation of Borrowed funds and share premium:

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not any borrowed funds during the year.

q) Undisclosed income

The company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the years in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961), unless there is immunity for disclosure under any scheme.

r) Compliance with number of layers of companies

The Company does not have any subsidiaries therefore disclosure of compliance with number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 is not applicable.

s) disclosure pertaining to ‘details of crypto currency or virtual currency

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods

t) Revaluation of PPE and Intangible assets

According to the Information and Explanation given to us and on the basis of our examination of the records of the company, the company has not revalued its Property, Plant and Equipment and Intangible asstes during the reporting periods.

u) disclosure pertaining to ‘corporate social responsibility activities’

The company is not covered under section 135 of the Companies Act, 2013. The disclose with regard to CSR activities is not applicable

v) Ratio analysis and its elements

| Particulars | For the year ended 31 March | | |
|----------------------------------|-----------------------------|-------|-------|
| | 2023 | 2022 | 2021 |
| Current Ratio | 14.12 | 1.52 | 14.17 |
| Debt-Equity Ratio | 0.00 | 1.80 | 0.00 |
| Debt Service Coverage Ratio | 0.53 | 10.84 | 0.00 |
| Return on Equity Ratio | 0.16 | 0.13 | -0.03 |
| Inventory Turnover Ratio | NA | NA | NA |
| Trade Receivables Turnover Ratio | NA | NA | NA |
| Trade Payables Turnover Ratio | 0.49 | 0.68 | 0.13 |
| Net Capital Turnover Ratio | 1.12 | 1.03 | 0.94 |
| Net Profit Ratio | 0.14 | 0.14 | -0.05 |
| Return on Capital Employed | 0.18 | 0.06 | -0.03 |
| Return on Investment | NA | NA | NA |

Reasons for variance of more than 25% in above ratios :

Debt-Equity Ratio has been increased from March 31, 2021 to March 31, 2022 due to Company has taken new intercorporate loan

Return on Equity Ratio has been increased due to increase in profits.

Net Capital Turnover Ratio has been increased due to increase in capital.

Net Profit Ratio has been increased due to increase in profits

Elements of Ratio

| Particulars | For the year ended 31 March | | |
|--------------------------------------|-----------------------------|---------|--------|
| | 2023 | 2022 | 2021 |
| (a) Current Ratio | 2191.64 | 1007.14 | 311.62 |
| | 155.26 | 662.17 | 21.98 |
| (b) Debt-Equity Ratio | 9.12 | 640.58 | 0.00 |
| | 2048.74 | 355.47 | 312.73 |
| (c) Debt Service Coverage Ratio | 393.48 | 68.00 | -2.90 |
| | 745.21 | 6.27 | 0.00 |
| (d) Return on Equity Ratio | 192.83 | 42.73 | -9.88 |
| | 1202.10 | 334.10 | 317.67 |
| (e) Inventory Turnover Ratio | NA | NA | NA |
| (f) Trade Receivables Turnover Ratio | NA | NA | NA |
| (g) Trade Payables Turnover Ratio | 6.59 | 2.21 | 0.14 |
| | 1330.52 | 327.08 | 112.59 |
| (h) Net Capital Turnover Ratio | 1330.52 | 327.08 | 112.59 |
| | 1190.68 | 317.30 | 120.30 |
| (i) Net Profit Ratio | 192.83 | 42.73 | -9.88 |
| | 1330.52 | 327.08 | 112.59 |
| (j) Return on Capital Employed | 388.28 | 62.81 | -9.27 |
| | 2217.18 | 1020.25 | 334.14 |
| (k) Return on Investment | NA | NA | NA |

IBL Finance Limited

Annexure 24: Restated Statement of Related party disclosures

(a) Names of related parties and description of relationship:

| Nature of related parties | Description of |
|----------------------------------|-----------------------|
| Manish M. Patel | Director |
| Piyush M. Patel | Director |
| Mansukhbhai K. Patel | Director |
| Jayaben Mansukhbhai Patel | Relative of director |
| Hina Manish Patel | Relative of director |
| Rupal Piyush Patel | Relative of director |
| Mansukhbhai K. Patel HUF | Relative of director |
| Manish M. Patel HUF | Relative of director |
| Piyush M. Patel HUF | Relative of director |
| Chandubhai Vallabhbbhai Miyani | Relative of director |
| Shilpaben Pareshbhai Kakadiya | Relative of director |

b) Transactions with related parties:

(Amount in Lakhs)

| Particulars | As at and for the year ended 31 March | | |
|---------------------------------------|--|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Rent paid | | | |
| Manish M. Patel | 2.40 | 2.40 | 2.32 |
| Remuneration paid to directors | | | |
| Manish M. Patel | 48.00 | 12.00 | 9.57 |
| Piyush M. Patel | 48.00 | 12.00 | 10.91 |
| Mansukhbhai M. Patel | 24.00 | 2.91 | 2.72 |
| Salary paid to relatives | | | |
| Hina Manish Patel | 4.00 | 0.00 | 0.00 |
| Rupal Piyush Patel | 4.00 | 0.00 | 0.00 |

IBL Finance Limited

Annexure 24: Restated Statement of Related party disclosures

(Amount in Lakhs)

c) Balances with related parties (as at period/year-end)

| Particulars | As at March 31 | | |
|-----------------------|-----------------------|-------------|-------------|
| | 2023 | 2022 | 2021 |
| Amount payable | | | |
| Remuneration payable | 7.52 | 2.33 | 2.22 |
| Rent payable | 0.20 | 0.20 | 0.20 |

Annexure 25: Restated Statement of Accounting and other ratios

| Sr. no. | Particulars | As at and for the year ended 31 March | | |
|---------|---|---------------------------------------|--------|--------|
| | | 2023 | 2022 | 2021 |
| A | Net worth, as restated (₹) | 2048.74 | 355.47 | 312.73 |
| B | Profit after tax, as restated (₹) | 192.83 | 42.73 | -9.88 |
| | Weighted average number of equity shares outstanding during the period/ year | | | |
| C | For Basic number of equity share | 33.40 | 32.60 | 32.60 |
| D | For Diluted number of equity share | 33.40 | 32.60 | 32.60 |
| E | For Basic number of equity share after bonus issue | 167.87 | 146.70 | 146.70 |
| F | For Diluted number of equity share after bonus issue | 167.87 | 146.70 | 146.70 |
| | Earnings per share | | | |
| G | Basic earnings per share (₹) (B/C) | 5.77 | 1.31 | -0.30 |
| H | Diluted earnings per share (₹) (B/D) | 5.77 | 1.31 | -0.30 |
| I | Basic earnings per share after bonus issue (₹) (B/E)# | 1.15 | 0.29 | -0.07 |
| J | Diluted earnings per share after bonus issue (₹) (B/F)# | 1.15 | 0.29 | -0.07 |
| K | Return on Net Worth (%) (B/A*100) | 9.41% | 12.02% | -3.16% |
| L | Number of shares outstanding at the end of the period/ year | 33.40 | 32.60 | 32.60 |
| M | Number of shares outstanding at the end of the period/ year after bonus issue# | 167.87 | 146.70 | 146.70 |
| N | Net asset value per equity share of ₹ 10 each (₹) (A/L) | 61.34 | 10.90 | 9.59 |
| O | Net asset value per equity share of ₹ 10 each after bonus issue (₹) (A/M)# | 12.20 | 2.42 | 2.13 |
| P | Face value of equity shares (₹) | 10.00 | 10.00 | 10.00 |

Notes :-

1) The ratios have been computed in the following manner :

a) Basic and Diluted earnings per share (₹)

$\frac{\text{Restated Profit after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the period/year}}$

b) Return on net worth (%) =

$\frac{\text{Restated Profit after tax}}{\text{Restated Net worth as at period/ year end}}$

c) Net asset value per share (₹)

$\frac{\text{Restated Net Worth as at period/ year end}}{\text{Total number of equity shares as at period/ year end}}$

2) The figures disclosed above are based on the Restated Financial Information of the Company.

3) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted for the number of equity shares issued during the period/year multiplied by the time weightage factor. The time weightage factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.

4) Net worth for the ratios represents sum of share capital and reserves and surplus (share premium and surplus in the Restated Summary

5) The above statement should be read with the Statement of Notes to the Restated Financial Information of the Company in Annexure

6) The Company issue Bonus Equity Shares of 43,56,628 and 90,90,325 on March 17, 2023 and June 05, 2023, respectively

Annexure VI - Other financial information
(Amounts in INR Lakh, unless otherwise stated)

The accounting ratios required under Paragraph 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

| Particulars | As at 31 March | | |
|---|----------------|---------------|---------------|
| | 2023 | 2022 | 2021 |
| Restated profit attributable to equity shareholders (₹) (A) | 192.83 | 42.73 | -9.88 |
| Weighted average number of equity shares in calculating basic EPS (B) | 33.40 | 32.60 | 32.60 |
| Weighted average number of equity shares in calculating diluted EPS (C) | 33.40 | 32.60 | 32.60 |
| Basic earnings per share (₹ per share) (D=A/B) | 5.77 | 1.31 | (0.30) |
| Diluted earnings per share (₹ per share) (E=A/C) | 5.77 | 1.31 | (0.30) |
| Weighted average number of equity shares in calculating basic EPS - post bonus shares (J) | 167.87 | 146.70 | 146.70 |
| Weighted average number of equity shares in calculating diluted EPS - post bonus shares (K) | 167.87 | 146.70 | 146.70 |
| Basic earnings per share - post bonus shares (₹ per share) (L=A/J) | 1.15 | 0.29 | (0.07) |
| Diluted earnings per share - post bonus shares (₹ per share) (M=A/K) | 1.15 | 0.29 | (0.07) |
| Net worth (A) | 2048.74 | 355.47 | 312.73 |
| Restated profit attributable to shareholders (B) | 192.83 | 42.73 | -9.88 |
| Restated Return on net worth (%) (C=B/A) | 9.41% | 12.02% | -3.16% |
| Net Assets (₹) (A) | 2048.74 | 355.47 | 312.73 |
| Number of equity shares outstanding at the end of the year (B) | 33.40 | 32.60 | 32.60 |
| Restated Net asset value per share (C=A/B) | 61.34 | 10.90 | 9.59 |
| Number of equity shares outstanding at the end of the year - post bonus shares (F) | 167.87 | 146.70 | 146.70 |
| Restated Net asset value per share - post bonus shares (G=A/F) | 12.20 | 2.42 | 2.13 |
| Restated profit for the year (A) | 192.83 | 42.73 | -9.88 |
| Restated profit for the year from discontinued operation (B) | - | - | - |
| Restated profit for the year from continuing operations (C=A-B) | 192.83 | 42.73 | -9.88 |
| Total tax expenses (D) | 81.69 | 13.80 | 0.61 |
| Exceptional items (E) | 0.00 | 0.00 | 0.00 |
| Finance costs (F) | 122.58 | 8.33 | 0.47 |
| Depreciation and amortization expense (G) | 5.21 | 5.19 | 6.37 |
| Other income (H) | 2.61 | 0.00 | 0.00 |
| EBITDA (I=C+D+E+F+G-H) | 399.70 | 70.06 | -2.43 |
| Share based payment expense (J) | 0.00 | 0.00 | 0.00 |
| Adjusted EBITDA (K=I-J) | 399.70 | 70.06 | -2.43 |

Net worth is derived as below

| Particulars | As at 31 March | | |
|----------------------|----------------|--------|--------|
| | 2023 | 2022 | 2021 |
| Share capital | 909.03 | 326.00 | 326.00 |
| Reserves and Surplus | 1139.71 | 29.47 | -13.27 |
| Retained Earnings | 0.00 | 0.00 | 0.00 |
| Net worth | 2048.74 | 355.47 | 312.73 |

The ratios on the basis of Restated Financial Information have been computed as below

Basic Earnings $\frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period post sub-division/bonus}}$

Diluted Earnings $\frac{\text{Restated Net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Weighted average number of Equity Shares outstanding during the year/period adjusted for the effects of all}}$

Return on Investment $\frac{\text{Restated net profit/(loss) after tax for the year / period attributable to equity shareholders of the Company}}{\text{Restated total equity attributable to equity holders}}$

Net asset value $\frac{\text{Restated Total equity attributable to equity holders}}{\text{Weighted Average Number of equity shares outstanding during the year/ period post sub-division/bonus}}$

Net Assets Total Assets less total liabilities

EBITDA Restated profit/(loss) for the respective year/period + total tax expenses + exceptional items + finance costs + depreciation

IBL Finance Limited
Annexure 26: Statement of tax shelter
(Amount in Lakhs)

| Particulars | For the year ended 31 March | | |
|---|-----------------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Profit before tax, as restated (A) | 274.52 | 56.53 | -9.27 |
| Tax rate (%) (B) | 25.17% | 25.17% | 25.17% |
| Tax expense at nominal rate [C= (A*B)] | 69.10 | 14.23 | -2.33 |
| Adjustments | | | |
| Permanent differences | | | |
| Donations | - | - | - |
| Prior period expenses | - | - | - |
| Interest/penalties on delayed payment of taxes | - | - | - |
| Adjustment on account of Section 37 under Income tax Act, 1961 | 23.97 | 7.68 | 6.23 |
| Total permanent differences (D) | 23.97 | 7.68 | 6.23 |
| Timing differences | | | |
| Depreciation difference as per books and as per tax | -0.45 | 0.79 | 0.55 |
| Adjustment on account of Section 43B under Income tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| Adjustment on account of Section 40 under Income tax Act, 1961 | 0.00 | 0.00 | 0.00 |
| Provision for gratuity | 18.01 | 6.17 | 4.74 |
| Provision for doubtful debts | 0.00 | 0.00 | 0.00 |
| Total timing differences (E) | 17.55 | 6.95 | 5.29 |
| Deduction under Chapter VI-A (F) | 0.00 | 0.00 | 0.00 |
| Net adjustments(G)=(D+E+F) | 41.52 | 14.63 | 11.52 |
| Tax impact of adjustments (H)=(G)*(B) | 10.45 | 3.68 | 2.90 |
| Tax expenses (I= H+C) (derived) | 79.55 | 17.91 | 0.57 |
| Current tax expense as per Restated Summary Statement of Profit and Loss | 81.69 | 13.80 | 0.61 |

Notes:

- The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).
- The permanent/timing differences for the years ended 31 March 2023, 2022, 2021, have been computed based on the Income-tax returns filed for the respective years after giving adjustments to restatements, if any.
- Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.
- Pursuant to section 115BAA of the Income-tax Act, 1961 the Company had intended to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 to compute Income tax at the reduced rate (i.e. 25.17%) from the financial year ended 31 March 2020.
- The above statement should be read with the Statement of Notes to the Standalone Financial Information of the Company.

Annexure V - Statement of Adjustments to the Restated Financial Information

| Particulars | For the year ended 31 March | | |
|--|-----------------------------|--------------|--------------|
| | 2023 | 2022 | 2021 |
| Profit after tax as per Audited Financial Statements | 204.66 | 44.16 | -5.14 |
| <u>Restatement adjustments</u> | | | |
| (Increase)/decrease in expenses | 0.00 | 0.00 | 0.00 |
| Other expenses | 11.84 | 1.43 | 4.74 |
| Restated profit before tax | 192.83 | 42.73 | -9.88 |
| Tax adjustments | 0.00 | 0.00 | 0.00 |
| Profit after tax as per Restated financial information | 192.83 | 42.73 | -9.88 |
| Total | 192.83 | 42.73 | -9.88 |

Notes to adjustments:**Note 1:**

Audit qualifications - There are no audit qualifications in auditor's report for the period/financial years ended March 31, 2023, March 31, 2022 and March 31, 2021.

Note 2:

Material regrouping/reclassification - Appropriate regrouping/reclassification have been made in the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with audited financial statements prepared in accordance with Schedule III of the Act, applicable AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

Annexure VII - Statement of Capitalization
(Amounts in INR Lakh, unless otherwise stated)

The following table sets forth our Company's capitalisation as at March 31, 2023, derived from our Restated Financial Statements.

| Particulars | Pre-offer as at 31 March 2023 | As adjusted for the proposed Offer |
|--|--|---|
| Borrowings | | |
| Non-current borrowings (including current maturity of long term debt) (I) | - | [●] |
| Total current borrowings (II) | 9.12 | [●] |
| Total Borrowings (I) + (II) = (A) | 9.12 | [●] |
| Equity | | |
| Equity Share Capital | 909.03 | [●] |
| Reserve and Surplus | 1139.71 | [●] |
| Total Equity (B) | 2048.74 | [●] |
| Capitalisation (A) + (B) | 2057.87 | [●] |
| Non-current borrowings (including current maturity of long term debt)/Equity | - | [●] |
| Total borrowings/Equity | 0.00 | [●] |

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

You should read the following discussion of our financial position and results of operations together with our Restated Financial Statements which have been included in this Draft Prospectus. The following discussion and analysis of our financial position and results of operations are based on our Restated Financial Statements for the Financial Year ended March 31, 2023, the Financial Year ended March 31, 2022, and the Financial Year ended March 31, 2021, including the related notes and reports, included in this Draft Prospectus prepared in accordance with requirements of the Companies Act and restated in accordance with the SEBI Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Prospectus. It is urged that you consult your advisors regarding such differences and their impact on our Company’s financial information. Our Financial Statements, as restated have been derived from our audited financial statements for the respective period and years. Accordingly, the degree to which our Restated Financial Statements will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader’s level of familiarity with Ind GAAP, Companies Act, SEBI Regulations and other relevant accounting practices in India. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year (“**Fiscal Year**”) are to the twelve-month period ended March 31 of that year.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under “**Risk Factors**” and “**Forward-Looking Statements**” beginning on pages 2 and 13, respectively, and elsewhere in this Draft Prospectus.

In this section, unless the context otherwise requires, any reference to “we”, “us” or “our” refers to JKV Solutions Limited, our Company. Unless otherwise indicated, financial information included herein are based on our “**Restated Financial Statements**” for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021 beginning on page 143 of this Draft Prospectus.

BUSINESS OVERVIEW

Our Company commenced our lending business to self-employed professional and small business entrepreneurs during the financial year March 31, 2019. Subsequently, from the Fiscal 2020 we migrated to fintech based financial services platform. As a technology-driven fintech company we leverage technology and data-science to make lending quick and easy. Our Company through its a mobile App provides instant personal loans which is almost 100% digital process. We launched our personal loans business to fulfil the needs of the underserved Indian population. Our digital personal loan offering is well-suited to address the needs of the growing digitally connected Indians.

For further details, please refer chapter titled “**Business Overview**” beginning on page 98 of this Draft Prospectus.

Key Performance Indicators of our Company

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|--|-------------------------|-------------------------|-------------------------|
| Revenue from operations (₹ in lakhs) ⁽¹⁾ | 1,330.52 | 327.08 | 112.59 |
| Growth in Revenue from Operations (%) ⁽²⁾ | 306.79% | 190.51% | 5.29% |
| EBITDA (₹ in lakhs) ⁽³⁾ | 399.70 | 70.05 | -2.44 |
| EBITDA Margin (%) ⁽⁴⁾ | 30.04% | 21.42% | -2.17% |
| Restated Profit After Tax for the Year (₹ in lakhs) | 192.83 | 42.73 | -9.88 |
| PAT Margin% ⁽⁵⁾ | 14.49% | 13.06% | -8.88% |
| Net Worth ⁽⁶⁾ | 2,048.74 | 355.47 | 312.73 |
| Capital Employed (₹ in lakhs) ⁽⁷⁾ | 2,056.94 | 993.44 | 307.77 |
| RoA (%) ⁽⁸⁾ | 8.69% | 4.18% | -2.91% |
| RoE (%) ⁽⁹⁾ | 9.41% | 12.02% | -3.16% |
| RoCE (%) ⁽¹⁰⁾ | 18.88% | 6.32% | -3.01% |
| Gross NPA (₹ in lakhs) ⁽¹¹⁾ | 75.77 | 20.92 | 52.95 |
| Net NPA (₹ in lakhs) ⁽¹²⁾ | 56.83 | 15.69 | 39.22 |
| AUM (₹ in lakhs) ⁽¹³⁾ | 1,461.18 | 842.19 | 262.78 |
| Customers ⁽¹⁴⁾ | 16384 | 27282 | 1055 |
| Tangible Network (₹ in lakhs) ⁽¹⁵⁾ | 2,047.81 | 352.87 | 307.78 |
| Leverage (AUM/Network) | 0.71 | 2.37 | 0.84 |
| AUM/Tangible Network | 0.71 | 2.39 | 0.85 |

| | | | |
|---|---------|---------|--------|
| Branches ⁽¹⁶⁾ | 1 | 1 | 1 |
| Employees ⁽¹⁷⁾ | 67 | 21 | 21 |
| AUM per Branch ⁽¹⁸⁾ | 1461.18 | 842.19 | 262.78 |
| AUM per employee ⁽¹⁹⁾ | 21.81 | 40.10 | 12.51 |
| Disbursement per branch per month (₹ lakhs) ⁽²⁰⁾ | 436.23 | 103.70 | 11.00 |
| Disbursement per employee per month (₹ lakhs) ⁽²¹⁾ | 6.51 | 4.94 | 0.52 |
| Gross NPA ratio (%) ⁽²²⁾ | 5.19 | 2.48 | 20.15 |
| Net NPA ratio (%) ⁽²³⁾ | 3.94 | 1.87 | 15.75 |
| Operating Expenses to Average AUM (%) ⁽²⁴⁾ | 50.39% | 23.79% | 41.68% |
| Cost to income ratio (%) ⁽²⁵⁾ | 55.23% | 61.26% | 97.28% |
| Provision Coverage Ratio (%) ⁽²⁶⁾ | 18.10% | 25.00% | 11.78% |
| Net Interest Margin (%) ⁽²⁷⁾ | 73.19% | 36.81% | 41.47% |
| CRAR (%) ⁽²⁸⁾ | 1.14 | 0.40 | 1.10 |
| Total disbursal amount | 5234.70 | 1244.38 | 131.99 |
| Total loan disbursal | 122078 | 39967 | 634 |
| % disbursal to existing users | 29.97 | 14.37 | 1 |
| Registered Users add during the year | 381156 | 84412 | 12757 |
| Active Users | 16384 | 27282 | 1055 |

Notes:

- (1) Revenue from Operations means the Revenue from Operations as appearing in the Restated Financial Statements.
- (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period.
- (3) EBITDA is calculated as Profit before tax + Depreciation & amortisation + Finance Cost - Other Income.
- (4) EBITDA Margin (%) is calculated as EBITDA divided by Revenue from Operations.
- (5) PAT Margin (%) is calculated as PAT for the period/year divided by revenue from operations.
- (6) Net worth is aggregate value of the paid-up equity share capital of the Company and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, excluding revaluation reserves if any, as per Restated Financial Statements.
- (7) Capital Employed is calculated as total equity plus total borrowings minus intangible assets.
- (8) ROA represents profit after tax, divided by average of total assets on book. Total assets represent total assets as of the last day of the relevant period
- (9) Return on Equity (%) refers to restated profit for the year/period attributable to equity shareholders of our Company divided by Net worth attributable to the owners of the company.
- (10) Return on Capital Employed is calculated as earnings before interest and taxes divided by Capital Employed.
-Earnings before interest and tax is calculated as restated profit / (loss) for the period / year plus total tax expense / (credit) plus finance costs.
- (11) Gross NPA (GNPA) denotes the total of all the loan assets that haven't been repaid by the borrowers within the ninety-day period.
- (12) Net NPA (NNPA) is the amount remaining after deducting doubtful and unpaid debts from the GNPA
- (13) AUM represents aggregate of Gross Loan Book as of the last day of the relevant period
- (14) Number of customers represents aggregate number of customers of our Company as of the last day of relevant period including securitized accounts
- (15) Tangible Net worth represents the sum of equity share capital and other equity and reduced by goodwill as of the last day of the relevant period
- (16) Number of branches represents aggregate number of branches of our Company as of the last day of relevant period.

- (17) Number of employees represents aggregate number of employees of our Company as of the last day of relevant period
- (18) AUM per branch represents AUM as of last day of the relevant period divided by number of branches
- (19) AUM per employee represents AUM as of the last day of the relevant period divided by number of employees.
- (20) Disbursement per branch per month represents disbursements in the relevant period divided by number of branches and number of months
- (21) Disbursement per employee per month represents disbursements in the relevant period divided by number of employees and number of months
- (22) Gross NPA ratio (%) represents the Gross NPA to the Gross Loan Book as of the last day of the relevant period.
- (23) Net NPA ratio (%) represents the Net NPA to the Gross Loan Book as of the last day of the relevant period.
- (24) Operating Expenses to Average AUM represents our operating expenses for a period to the Average AUM for the period.
- (25) Cost to income ratio represents operating expenses (which comprises the aggregate of employee benefits expense, depreciation and amortisation and other expenses) as a percentage of total revenue less adjusted finance costs for the relevant year/ period.
- (26) Provision Coverage Ratio represents total provisions held on Gross NPA as of the last day of the period, as a percentage of total Gross NPAs as of the last day of the period.
- (27) Average yield on Gross Loan Book represents the ratio of interest income on loan assets for a period to the average Gross Loan Book for the period.
- (28) Net Interest Margin represents our net interest income on the loans for a period to the average AUM for the period, represented as a percentage
- (29) Capital adequacy ratio or capital-to-risk weighted assets ratio (CRAR) is computed by dividing company's Tier I and Tier II capital by risk weighted assets.

Explanation of KPI Metrics:

| KPI | Explanations |
|-----------------------------------|--|
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business |
| Growth in Revenue from Operations | Growth in Revenue from Operations provides information regarding the growth of our business for respective periods |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| PAT | Profit after tax provides information regarding the overall profitability of the business. |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of our business |
| Net worth | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| RoE (%) | RoE provides how efficiently our Company generates profits from shareholders 'funds. |
| RoCE (%) | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL PERIOD

After the date of last financial year i.e., March 31, 2023, the following material events have occurred:

1. Our Company was converted into Public Limited Company vide Special resolution passed by the Shareholders at the Extra-Ordinary General Meeting held on April 27, 2022 and a fresh certificate of incorporation dated May 22, 2023 issued by the Registrar of Companies, Ahmedabad.
2. The Shareholders of our Company appointed Manish Patel as Managing Director, Piyush Patel as Whole-Time Director at Extra-Ordinary General Meeting held on May 27, 2023. Subsequently, Manish Patel was also appointed as the Chairman vide Board resolution dated June 21, 2023. Further, Mansukhbhai Patel was appointed as Whole-Time Director at the Extra-Ordinary General Meeting held on July 07, 2023.

3. The Shareholders of our Company appointed Bipinkumar Hirpara and Hitisha Chanchad as Non-Executive Non-Independent Director in their meeting held on May 27, 2023.
4. The Shareholders of our Company appointed Ajaykumar Baldha as Non-Executive Director in their meeting held on May 27, 2023.
5. The Board of Directors of our Company approved the Initial Public Offering of our Company in their meeting held on June 10, 2023.
6. The Board of Directors of our Company has appointed Dilipbhai Chauhan and Unnatiben Mistry as Company Secretary and Compliance Officer & Chief Financial Officer respectively in their meeting held on June 21, 2023.
7. Our Company has constituted an Audit Committee (“Audit Committee”), Nomination and Remuneration Committee and Stakeholders Relationship Committee vide Board Resolution dated April 29, 2023 as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with SEBI (Listing Obligations and Disclosure 221 Requirements) Regulations, 2015 applicable upon listing of the Company’s Equity shares on NSE Emerge.
8. The Shareholders of our Company approved the Initial Public Offering of our Company at the Extra-Ordinary General Meeting held on July 07, 2023.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

A number of important factors, including the following affect our results of operation and financial condition:

Availability of cost effective sources of capital

We have historically secured financing from individuals and corporates as Inter-company deposits. In addition, we have access to capital from our Promoter and members of the Promoter Group. Considering the size of our operations, we may not be able to secure bank financing, which is the most competitive source of funding. As a result, the availability of cost-effective funding sources affects our results of operations. The availability for funding as well as the overall cost of borrowing depends on many external factors, including developments in the Indian economy and its credit markets and, in particular, interest rate movements and the existence of adequate liquidity in the debt markets. Internal factors that affect availability of funding and our cost of borrowing include our credit ratings and available credit limits.

Volatility in borrowing and lending rates

Our results of operations depend substantially on our net interest income. Any change in interest rates would affect our interest income and our finance costs, and directly impact our results of operations because our core business is based on achieving a margin between the cost at which we can obtain funds and the yields we can achieve in extending loans. Our interest income constitutes the largest component of our revenue from operations. For the Fiscals 2023, Fiscal 2022 and 2021, our interest income as a percentage of our revenue from operations was 88.93%, 96.69% and 96.77%, respectively.

Credit quality and provisioning

Our ability to manage the credit quality of our loan portfolio, which we measure in part through non-performing assets (“NPA”), is a key driver of our results of operations. Credit quality is the outcome of the credit appraisal mechanism and recovery system followed by us. We classify NPAs in accordance with the NBFC-ND-NSI Directions and applicable Ind AS rules. Defaults by our customers for a period of 90 days or more result in such loans being classified as Stage 3 and NPA.

Technological Capabilities

We are a technology-driven business utilising data analytics capabilities and since our inception, we have made significant investments in our technology infrastructure. Our technology capabilities comprise customer facing portals, loan management and accounting capabilities that enable high transaction volumes, in-house underwriting engines, fraud risk management capabilities for fraud prevention and detection, and multiple process automation workflows to enable efficient back-end operations. Our systems are also able to identify unique users, track their journeys, record their behaviour and report on the IBL: Instant Personal Loan App’s performance. This data has been vital in our marketing, sales and product management functions, allowing us to make more informed decisions when determining pricing.

Our ability to scale our operations faster while improving cost efficiencies will be driven by the effective utilisation of these technological capabilities. Our customer acquisition costs will also be determined by our ability to generate cross-sell and up-sell opportunities through the IBL: Instant Personal Loan.

Availability of cost effective sources of financing

The availability of cost-effective sources of financing affects our business and results of operations. We have historically secured financing through loans and capital infusion. For our lending business, our total external borrowings amounted to ₹9.12 lakhs, ₹640.58 lakhs and NIL as of Fiscal 2023, Fiscal 2022 and Fiscal 2021, respectively.

Our Borrowing Rates and Lending Rates

Our results of operations depend primarily on our net interest income, which is the difference between our interest income and our finance costs. Any change in interest rates on our borrowings would affect our finance costs as well as our net interest income and net interest margin.

Any change in interest rates that we charge our customers affects our interest income as well as our net interest income and net interest margin.

Ability to Attract and Retain Customers and Generate Loan Volumes

Our growth is dependent on our ability to continue to attract new customers, retain existing customers and cultivate loyalty through cross-selling and up-selling, repeat loans and service renewal. Further, the volume of loans that we approve and disburse is a primary driver of our total income.

We extend unsecured personal loans to individuals through an entirely digital process on the IBL: Instant Personal Loan App which commenced from Fiscal 2020. We source our personal loans customers through online marketing channels and direct digital channels. We believe our digital lending process is one of the key differentiators driving customer growth in our personal loans business line.

Competition

We face competition in India from various players such as traditional lending Fintech companies, NBFC and also banks. For our personal loan businesses, we generally compete on the basis of the product offerings, ability to customize products, turnaround time and efficient loan process, ticket sizes, price, reputation and customer relationships. We face our most significant organised competition from fintech companies, micro finance company and other NBFCs, as well as from certain banks in India.

Credit Quality and Provisioning

Our ability to manage the credit quality of our loans is a key driver of our results of operations. Our total loan portfolio has grown in the last few years, and we anticipate that the size of our loan portfolio will continue to grow in the future as we pursue our expansion strategy. The increase in the size of our total loan portfolio will change the credit quality of our loan portfolio and our NPAs, leading to a corresponding change in our provisions and write-offs, thereby driving our profitability and margins.

SIGNIFICANT ACCOUNTING POLICIES

For details kindly refer to chapter titled – *Restated Financial Statements* - Annexure 4 beginning on page 158 of this Draft Prospectus.

DISCUSSION ON RESULTS OF OPERATIONS

The following table sets forth financial data from our Restated Financial Statements of profit & loss for the financial year ended March 31, 2023, financial year ended March 31, 2022 and for the financial year ended March 31, 2021, the components of which are also expressed as a percentage of total revenue for such periods:

(₹ in lakhs)

| Particulars | Financial Year ended | | Financial Year ended | | Financial Year ended | |
|--|----------------------|----------------|----------------------|----------------|----------------------|----------------|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2021 | |
| | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* |
| (A) REVENUE | | | | | | |
| Revenue from Operations | 1,330.52 | 99.80% | 327.08 | 100.00% | 112.59 | 100.00% |
| Other Income | 2.61 | 0.20% | - | 0.00% | - | 0.00% |
| Total Revenue | 1,333.13 | 100.00% | 327.08 | 100.00% | 112.59 | 100.00% |
| (B) EXPENDITURE | | | | | | |
| Employee benefits expense | 271.71 | 20.38% | 102.13 | 31.22% | 47.83 | 42.48% |
| Finance costs | 122.58 | 9.20% | 8.33 | 2.55% | 0.47 | 0.42% |
| Depreciation and amortisation expense | 5.21 | 0.39% | 5.19 | 1.59% | 6.37 | 5.65% |
| Provisions and Loan Losses | 322.37 | 24.18% | 70.19 | 21.46% | 12.33 | 10.95% |
| Other expenses | 336.74 | 25.26% | 84.71 | 25.90% | 54.87 | 48.73% |
| Total expenses | 1,058.61 | 79.41% | 270.55 | 82.72% | 121.86 | 108.23% |
| Profit Before Exceptional and Extraordinary Items and Tax | 274.52 | 20.59% | 56.53 | 17.28% | -9.27 | -8.23% |
| Exceptional Items | - | - | - | - | - | - |
| Profit Before Tax | 274.52 | 20.59% | 56.53 | 17.28% | -9.27 | -8.23% |
| Prior Period Items | - | - | - | - | - | - |
| Tax Expense: | | | | | | |
| (1) Current tax | 81.69 | 6.13% | 13.80 | 4.22% | 0.61 | 0.54% |
| (2) Mat Credit Entitlement | - | - | - | - | - | - |
| (3) Deferred tax | - | - | - | - | - | - |

| Particulars | Financial Year ended | | Financial Year ended | | Financial Year ended | |
|--|----------------------|---------------|----------------------|---------------|----------------------|---------------|
| | March 31, 2023 | | March 31, 2022 | | March 31, 2021 | |
| | ₹ in lakhs | %* | ₹ in lakhs | %* | ₹ in lakhs | %* |
| (4) Excess / Short Tax Provision W/off | - | - | - | - | - | - |
| Profit for the year | 192.83 | 14.46% | 42.73 | 13.06% | -9.88 | -8.77% |

*(%) column represents percentage of total revenue.

Key Components of our Statement of Profit and Loss Based on our Restated Financial Statements

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Revenue from operations comprises income generated from our (i) personal loans business and (ii) other operating revenue. Other operating income primarily comprises income from our business correspondent operations, including, fees received on collections, commission income and bad debt recovery from our personal loans business.

Other Income

Other income primarily comprises gain on sale of mutual funds, interest on bank FDRs and profit from sale of fixed assets.

Expenditure

Our total expenditure primarily consists of the employee benefit expenses, finance cost, depreciation and amortization expenses, provisions and loan losses and other expenses.

Employee Benefit Expenses

Employee benefits expenses primarily comprises salaries, director's remuneration, wages and bonus, contribution to provident and other funds, share based payments to employees, staff welfare expenses, gratuity expenses, leave encashment expenses and employee incentives.

Finance costs

Finance costs primarily reflect interest on ICDs and loans and bank charges and commission.

Depreciation and Amortization Cost

Depreciation and amortization expense consists of depreciation on property, plant and equipment (such as computers, and furniture and fixtures), depreciation and amortization and impairment of intangible assets (such as software and licensing rights).

Provisions and Loan Losses

Provision and write-off of towards Non-performing Assets/bad loans

Other Expenses

The largest component of other expenses are advertisement, business support services, collection expenses, credit information report charges, documentation charges, event management charges, field investigation and credit control, house keeping, marketing expenses and others expenses.

Tax Expense

Our tax expense consists of current tax and deferred tax expense / (credit).

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2023 TO FINANCIAL YEAR ENDED MARCH 31, 2022

Total Revenue

Our total revenue increased by 308% from ₹ 327.08 Lakhs for the Financial Year ended March 31, 2022 to ₹ 1,333.13 lakhs for the Financial Year ended March 31, 2023. This increase was primarily due to increase in revenue from operations.

Revenue from Operations

Our revenue from operation increased by 307% from ₹ 327.08 Lakhs for the Financial Year ended March 31, 2022 to ₹ 1330.52 lakhs for the Financial Year ended March 31, 2023, attributable to increase in our lending business and higher yield on our loan book.

Other Income

Our other income increased from NIL for the Financial Year ended March 31, 2022 to ₹ 2.61 Lakhs for the Financial Year ended March 31, 2023, primarily due to profit on sale of fixed assets, interest on bank FDRs and short term gain on sale of mutual funds.

Expenditure

Employee Benefit expense:

The employee benefits expense increased by 166.06% to ₹ 271.71 Lakhs for the Financial Year ended March 31, 2023 from ₹ 102.13 Lakhs for the Financial Year ended March 31, 2022 primarily due to increase in number of employees which resulted in higher employee payouts, increase in directors remuneration, performance incentive expenses and employee training expenses.

Finance Cost

The finance costs increased by 1371.24% to ₹ 122.58 Lakhs for the Financial Year ended March 31, 2023 from ₹ 8.33 Lakhs for the Financial Year ended March 31, 2022, primarily due to higher interest cost due which is corresponding to higher borrowings.

Depreciation and Amortization Expenses

Our depreciation and amortization expense increased marginally to ₹ 5.21 Lakhs for the Financial Year ended March 31, 2023 from ₹ 5.19 Lakhs for the Financial Year ended March 31, 2022, primarily due to no significant addition to fixed assets during the Financial Year ended March 31, 2023.

Provisions and Loan Losses

The expense towards provisioning and loan losses increased by 359.30% to ₹ 322.37 Lakhs for the Financial Year ended March 31, 2022 from ₹ 70.19 Lakhs for the Financial Year ended March 31, 2021

Other Expenses

Our other expenses were increased by 297.53 % to ₹ 336.74 Lakhs for the Financial Year ended March 31, 2023 from ₹ 84.71 Lakhs for the Financial Year ended March 31, 2022. The increase was mainly due to increase in advertisement expenses, marketing expenses, business support services, collection expenses, credit information report charges, documentation charges, field investigation, housekeeping charges, maintenance and repair expenses, outsourcing charges, professional expenses, rent expenses, software maintenance & server fees, stamp duty, etc.

Tax expenses

Our tax expenses increased to ₹ 81.69 Lakhs for the Financial Year ended March 31, 2023 from ₹ 13.80 Lakhs for the Financial Year ended March 31, 2022, primarily due to the increase in higher profit before tax.

Profit after Tax

For the various reasons discussed above, we recorded a profit after tax of ₹192.83 Lakhs for the Financial Year ended March 31, 2023 from a profit of ₹ 42.73 Lakhs for the Financial Year ended March 31, 2022.

COMPARISON OF FINANCIAL YEAR ENDED MARCH 31, 2022 TO FINANCIAL YEAR ENDED MARCH 31, 2021

Total Revenue

Our total revenue was increased by 190.50% to ₹ 327.08 Lakhs for the Financial Year ended March 31, 2022 from ₹ 112.59 Lakhs for the Financial Year ended March 31, 2021. This change was primarily due to increase in our revenue from operations

Revenue from Operations

Our revenue from operations increased by 190.50 % to ₹ 327.08 Lakhs for the Financial Year ended March 31, 2022 from ₹ 112.59 Lakhs for the Financial Year ended March 31, 2021 primarily attributable to increase in our lending business and higher yield on our loan book.

Other Income

Our other income was NIL for the Financial Year ended March 31, 2022 and for the Financial Year ended March 31, 2021.

Expenses

Employee Benefit expense:

The employee benefits expense increased by 113.51% to ₹ 102.13 Lakhs for the Financial Year ended March 31, 2022 from ₹ 47.83 Lakhs for the Financial Year ended March 31, 2021 primarily due to increase in number of employees which resulted in higher employee payouts, increase in directors remuneration, performance incentive expenses and employee training expenses.

Finance Cost

The finance costs decreased by 1665.63% to ₹ 8.33 Lakhs for the Financial Year ended March 31, 2022 from ₹ 0.47 Lakhs for the Financial Year ended March 31, 2021, primarily due to higher interest cost due which is corresponding to higher borrowings.

Depreciation and Amortization Expenses

Our depreciation and amortization expense reduced by 18.39% to ₹ 5.19 Lakhs for the Financial Year ended March 31, 2022 from ₹ 6.37 Lakhs for the Financial Year ended March 31, 2021, primarily due to no increase in fixed assets and depreciation being charged on existing assets.

Provisions and Loan Losses

The expense towards provisioning and loan losses increased by 469.37% to ₹ 70.19 Lakhs for the Financial Year ended March 31, 2022 from ₹ 12.33 Lakhs for the Financial Year ended March 31, 2021

Other Expenses

Our other expenses increased by 54.39% to ₹ 84.71 Lakhs for the Financial Year ended March 31, 2022 from ₹ 54.87 Lakhs for the Financial Year ended March 31, 2021. The increase was mainly due to increase in advertisement expenses, marketing expenses, business support services, collection expenses, credit information report charges, documentation charges, field investigation, housekeeping charges, maintenance and repair expenses, outsourcing charges, professional expenses, rent expenses, software maintenance & server fees, stamp duty, etc

Tax expenses

Our tax expenses were increased by 2152.02% to ₹ 13.80 Lakhs for the Financial Year ended March 31, 2022 from ₹ 0.61 Lakhs for the Financial Year ended March 31, 2021, this was due increase in the profit before tax in the Financial Year ended March 31, 2022.

Profit after Tax

For the various reasons discussed above, profit of the Company was increased to ₹ 42.73 Lakhs for the Financial Year ended March 31, 2022 as against a loss of ₹ 9.88 Lakhs for the Financial Year ended March 31, 2021.

Information required as per Item 11 (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:

1. **Unusual or infrequent events or transactions**

To our knowledge, there have been no unusual or infrequent events or transactions that have taken place during the last three (3) years or may in the future affect our business operations or future financial performance.

2. **Significant economic changes that materially affected or are likely to affect income from continuing operations.**

Our business has been subject to, and we expect it to continue to be subject to significant economic changes arising from the trends identified above in 'Factors Affecting our Results of Operations' and the uncertainties described in the Chapter entitled "**Risk Factors**" beginning on page 2 of this Draft Prospectus. To our knowledge, except as we have described in this Draft Prospectus, there are no known factors that we expect to bring about significant economic changes.

3. **Income and Sales on account of major product/main activities**

Income and sales of our Company on account of main activities derives from the lending business and higher yield on our loan book..

4. **Whether the company has followed any unorthodox procedure for recording sales and revenues**

Our Company has not followed any unorthodox procedure for recording sales and revenues.

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

Apart from the risks as disclosed under the Chapter titled "**Risk Factors**" beginning on page 2 of this Draft Prospectus, in our opinion, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations. To our knowledge, except as discussed in this Draft Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

6. **Extent to which material increases in net sales or revenue are due to an increase in services**

Increases in revenues are by and large linked to increases in the revenue.

7. **Total turnover of each major industry segment in which the issuer company operated.**

We are engaged in the business of lending business and higher yield has been included in the chapter titled "**Business Overview**" beginning on page 98 of this Draft Prospectus.

8. **Status of any publicly announced new products or business segment.**

Our Company has not announced any new services or business segments.

9. **The extent to which business is seasonal.**

Our Company's business is not seasonal.

10. **Any significant dependence on a single or few suppliers or customers.**

We serve a large number of customers and hence we are not dependent on a single of few customers

11. **Competitive conditions.**

Competitive conditions are as described under the chapter titled "*Industry Overview*" and "*Business Overview*" beginning on pages 92 and 98, respectively of this Draft Prospectus.

12. **Material developments subsequent to March 31, 2023**

Except as disclosed in this Draft Prospectus, there are no significant developments or circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Draft Prospectus.

Further, except as disclosed in this Draft Prospectus, there are no circumstances that have arisen since March 31, 2023, the date of the last financial statements included in this Draft Prospectus, which materially and adversely affect or is likely to affect our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

FINANCIAL INDEBTEDNESS

The outstanding borrowings of our Company, as on March 31, 2023, are as follows:

(₹ in lakhs)

| Sr No | Nature of Borrowing | Amounts outstanding |
|-------|----------------------|---------------------|
| 1 | Secured borrowings | Nil |
| 2 | Unsecured borrowings | 9.12 |

Note 1:

Intercorporate Deposits

Our Company has avail intercorporate deposits from AFG Business Solutions Private Limited and shall pay the interest at 9.77% per annum which is repayable on demand.

SECTION VII – LEGAL AND OTHER INFORMATION
OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated below there is no (i) pending criminal litigation involving our Company, Directors, Promoter or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoter or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoter or Group Companies for any direct and indirect tax liabilities; (iv) outstanding proceedings initiated against our Company for economic offences; (v) defaults or non-payment of statutory dues by our Company; (vi) material fraud against our Company in the last five years immediately preceding the year of this Draft Prospectus; (vii) inquiry, inspection or investigation initiated or conducted under the Companies Act 2013 or any previous companies law against our Company during the last five years immediately preceding the year of this Draft Prospectus and if there were prosecutions filed (whether pending or not); (viii) fines imposed or compounding of offences for our Company in the last five years immediately preceding the year of this Draft Prospectus; (ix) litigation or legal action against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the year of this Draft Prospectus; (x) pending litigations involving our Company, Directors, Promoter, Group Companies or any other person, as determined to be material by the Company's Board of Directors in accordance with the SEBI (ICDR) Regulations; or (xi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI (ICDR) Regulations and dues to small scale undertakings and other creditors.

For the purpose of material litigation in (x) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- a) All criminal proceedings;*
- b) All actions by statutory and / or regulatory authorities*
- c) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five (5) financial years including outstanding action;*
- d) Taxation claims: Separate disclosures as regards claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount,*
- e) outstanding litigation / defaults which (a) may have a material impact which is qualitative though not quantitative and (b) may not be material at present, but may have a material impact in the future.*
- f) Other pending Litigation/arbitration proceedings: As per the policy of materiality defined by the Board and disclosed in the Issue Documents and / or in accordance with the materiality policy framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

For the purposes of determining material litigation / arbitration proceedings as mentioned in point (e) and (f) above, the following criteria shall apply:

Any pending litigation / arbitration proceedings (other than pending litigations mentioned in points (a) to (d) involving the Company, its subsidiaries, its promoters or its directors shall be considered "material" for the purposes of disclosure in the Issue Documents, if:

- (i) The aggregate monetary claim made by or against the Company, its promoters and / or its directors, (individually or in the aggregate), in any such pending litigation / arbitration proceeding is equal to or exceeds, an amount which is lesser of: i.) two percent of turnover, as per the last audited financial statements of the Company; ii.) two percent of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative; iii.) five percent of the average of the absolute value of profit or loss after tax, as per the last three audited financial statements of the Company; derived from the most recently completed fiscal year as per the Restated Financial Information included in such Issue Documents;*
- (ii) Any such litigation wherein a monetary liability is not quantifiable, or which may not meet the threshold as specified in (i) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company, irrespective of the amount involved in such litigation; or*
- (iii) Litigation where the decision in one litigation is likely to affect the decision in similar litigation, even though the amount involved in an individual litigation may not exceed an amount which is lesser of: i.) two percent of turnover, as per the last audited financial statements of the Company; ii.) two percent of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative; iii.) five percent of the average of the absolute value of profit or loss after tax, as per the last three audited financial statements of the Company, derived from the most recently completed fiscal year as per the Restated Financial Information, included in such Issue Documents.*

Further, pre-litigation notices received by the Company, its promoters, its directors or a group company (collectively the "Relevant Parties") from third parties (excluding those notices issued by statutory / regulatory / tax authorities or notices threatening any criminal action) shall, unless otherwise decided by the Board, not be, considered a material litigation until such

time that the relevant party is impleaded as a defendant in proceedings before any judicial / arbitral forum. Further, FIRs initiated against the Company, its directors, and its promoters, shall be disclosed in the Issue Documents.

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES

PART 1: LITIGATION RELATING TO OUR COMPANY

A. FILED AGAINST OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax:

As per the summary available on the TRACES Portal of Income Tax in respect of Company, there is an amount of Rupees 270.00/- is payable by the Company for the quarter April-June, 2020 towards "Interest on Late Payment". The same has been paid of by the Company vide Challan No. 05921 dated July 1, 2023. However, the same is yet not updated on the TRACES Portal of Income Tax.

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

6) Other Litigation

1. A complaint has been filed by Prathamesh (Complainant) against IBL Finance Private Limited ("Company") on April 01, 2023 under Consumer Complaints Court wherein the CIBIL of complainant shows that a loan has been taken by him from the company. As per the contention by the complainant, he has not taken any loan from the company and claims that his CIBIL is being affected.

As per the record of the Company, Mr. Prathamesh Shriram Kulkarni has taken loan of ₹ 5,000/- from the Company vide Loan Agreement No. 000000006384477 dated June 2, 2022. As per terms and conditions of Loan Agreement, Mr. Prathamesh Shriram Kulkarni is required to make payment of principle amount along with Interest and other charges by July 2, 2022. However, till date, Mr. Prathamesh Shriram Kulkarni has not re-paid the said amount.

Moreover, the Company has not received any communication from the Consumer Complaints Court.

2. A complaint has been filed by Avinash Patil (Complainant) against M/s. IBL Finance Private Limited (Company) on July 26, 2023 under Consumer Complaints Court wherein the complainant applied for a loan of ₹ 8,000/- from the website of the company. He mentions that the company had charged an exorbitant interest rate and the loan repayment terms were unclear and misleading. He also states that he paid a total amount of ₹ 15,000/- against his loan, which is unjustifiable and exploitative. He resorted to the company's representatives for assistance, but their behavior was very unprofessional which resulted in harassment and unfair practices.

He claims an immediate investigation into the matter and asks for refund of excess amount paid by him due to inflated interest rates. He also expects a written apology for the distress caused by the harassment from company representatives.

As per the record of the Company, Mr. Avinash Patil has taken loan of ₹ 13,900/- from the Company vide Loan Agreement No. 10028403 dated January 23, 2023. As per terms and conditions of Loan Agreement, Mr. Avinash Patil is required to make payment of principle amount along with Interest in total 6 equal monthly installment of ₹ 2,942/- each. However, till date, Mr. Avinash Patil has not re-paid the said amount as per agreed terms and conditions. However, till the date of this Draft Prospectus, Mr. Avinash Patil is liable to pay ₹ 5,012/- to the Company towards the said loan.

Moreover, the Company has not received any communication from the Consumer Complaints Court.

7) Notices

Reserve Bank of India, vide its Email dated July 11, 2023, asked for “an explanation for not obtaining prior written approval from the Bank for the appointment of Shri. Ajaykumar Arvindbhai Baldha and not informing about the appointment of independent directors viz. Shri. Bipinkumar Hirpara and Ms. Hitisha Mehulkumar Chanchad, within the stipulated time frame of one month.”

The Company, vide July 17, 2023 (through Email) and July 25, 2023 (through physical), has submitted to the Reserve Bank of India that due to certain misinterpretation of the RBI Master Directions for Prior Approval for any change in Management of the Company which results in change in more than 30 percent of the Directors, excluding Independent Directors and intimation for change in its Director within a period one month from such date, the Company could not comply with the RBI Master Directions. However, up on realization of interpretation error as well as omission, the Company has intimated to RBI about the changes in the Directors vide its letter dated June 15, 2023. Moreover, the Company has urged to RBI to consider that the omission was an inadvertent one and there was no deliberate intention. Till the date of this Draft Prospectus, there is no further Communication from the side of RBI.

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

| Sr. No | Name of the Complainant/ Plaintiff | Name of the Accused/ Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|--|---|---|--|---|---|---|
| 1. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Rakesh Chhotubhai Rathod | Criminal Case - 94599/2021 dated September 29, 2021 | Hon'ble 16 th Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | The Company had given a loan of Rupees 26,200/- to Mr. Rakesh Chhotubhai Rathod on March 3, 2020 with terms and conditions mentioned in Loan No. 10000125. As per the terms and conditions, Mr. Rakesh Chhotubhai Rathod was required to make repayment loan as per agreed terms and conditions. However, Mr. Rakesh Chhotubhai Rathod had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000040 dated August 16, 2021 towards aggregating amount of Rupees 48,748/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”. Accordingly, the Company has filed Criminal Case against Mr. Rakesh Chhotubhai Rathod under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues. | Rupees 48,748/- including interest, penalty, arrears amount | Current Status: Pending and Evidence of Prosecution Last Hearing Date: July 11, 2023 Next Hearing Date: September 9, 2023 |
| 2. | Ashish B. Patel (Power Of Attorney Holder of M/S. | Vicky Ramchandra Wadhvani and Chandani Vicky Wadhvani | Comm. Ex. - 55/22 dated January 4, 2022 | Hon'ble 5 th Additional District Judge, Surat | A Claim Petition has been filed against the Respondents to pay jointly & severally a sum of Rupees 3,28,406/- along with future interest 12% P.A till the date of realization to the claimant. | Rupees 3,28,406/- along with future interest 12% P.A | Current Status: Pending and Filing of Objections |

| Sr. No | Name of the Complainant/ Plaintiff | Name of the Accused/ Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|---|---------------------------------|---|--|--|---|--|
| | I.B.L. Finance Private Limited) | | | | The Company has requested the Hon'ble court that if the defendants default in payment of money, then the property of the defendants situated at Flat No-301, Orchid Ventura Building No-C – Palanpur Canal Road, Surat, Palanpore area of Surat city, be attached and sold by the Court and recover the amount to them. | till the date of realization | Last Hearing Date: August 9, 2023 Next Hearing Date: September 11, 2023 |
| 3. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Ketanbhai Bhikhabhai Makwana | Criminal Case - 99638/2021 dated October 25, 2021 | Hon'ble 12 th Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | The Company had given a loan of Rupees 34,900/- to Mr. Ketanbhai Bhikhabhai Makwana on March 27, 2021 with terms and conditions mentioned in Loan No. 10000894. As per the terms and conditions, Mr. Ketanbhai Bhikhabhai Makwana was required to make re-payment loan as per agreed terms and conditions. However, Mr. Ketanbhai Bhikhabhai Makwana had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 429266 dated September 21, 2021 towards aggregating amount of Rupees 41,916/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”. Accordingly, the Company has filed Criminal Case against Mr. Ketanbhai Bhikhabhai Makwana under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues. | Rupees 41,916/- including interest, penalty, arrears amount | Current Status: Pending and Process To Accused Last Hearing Date: August 05, 2023 Next Hearing Date: September 09, 2023 |
| 4. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Ravi Udyan Bhagatwala | Criminal Case - 104217/2021 dated November 26, 2021 | Hon'ble 16 th Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | The Company had given a loan of Rupees 36,400/- to Mr. Ravi Udyan Bhagatwala on January 17, 2020 with terms and conditions mentioned in Loan No. 10000016. As per the terms and conditions, Mr. Ravi Udyan Bhagatwala was required to make re- | Rupees 37,700/- including interest, penalty, arrears amount | Current Status: Pending and Evidence of Prosecution Last Hearing Date: July 12, 2023 |

| Sr. No | Name of the Complainant/ Plaintiff | Name of the Accused/ Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|--|---------------------------------|---|--|---|---|--|
| | | | | | <p>payment loan as per agreed terms and conditions. However, Mr. Ravi Udyan Bhagatwala had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000033 dated October 08, 2021 towards aggregating amount of Rupees 37,700/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”.</p> <p>Accordingly, the Company has filed Criminal Case against Mr. Ravi Udyan Bhagatwala under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues.</p> | | Next Hearing Date: August 24, 2023 |
| 5. | Harsh Pareshbhai Bhingradiya (Authorized Signatory of M/S. I.B.L. Finance Private Limited) | Kailash Gangaram Chaudhary | Criminal Case - 98219/2021 dated October 13, 2021 | Hon’ble 21 st Additional Senior Judge & Additional Chief Judicial Magistrate, Surat | <p>The Company had given a loan of Rupees 80,000/- to Mr. Kailash Gangaram Chaudhary on October 06, 2018 with terms and conditions as per sanction.</p> <p>As per the terms and conditions, Mr. Kailash Gangaram Chaudhary was required to make re-payment as per agreed terms and conditions. However, Mr. Kailash Gangaram Chaudhary had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000008 dated February 24, 2020 towards aggregating amount of Rupees 1,10,107/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”.</p> <p>Accordingly, the Company has filed Criminal Case against Mr. Kailash Gangaram Chaudhary under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues.</p> | Rupees 1,10,107/- including interest, penalty, arrears amount | <p>Current Status: Pending and Process to Accused</p> <p>Last Hearing Date: June 27, 2023</p> <p>Next Hearing Date: August 24, 2023</p> |
| 6. | Ashish B. Patel (Power of | Ankit Girishbhai Kaloliya | Criminal Case - 11028/20 | Hon’ble 2 nd Additional Senior Civil | <p>The Company had given a loan of Rupees 35,000/- to Mr. Ankit Girishbhai Kaloliya on February</p> | Rupees 50,101/- including | Current Status: Pending and |

| Sr. No | Name of the Complainant/Plaintiff | Name of the Accused/Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|---|--------------------------------|---|---|---|---|---|
| | Attorney Holder of M/S. I.B.L. Finance Private Limited) | | 22 dated March 3, 2022 | Judge & Additional Chief Judicial Magistrate, Surat | 02, 2021 with terms and conditions mentioned in Loan No. 10000544. As per the terms and conditions, Mr. Ankit Girishbhai Kaloliya was required to make repayment loan as per agreed terms and conditions. However, Mr. Ankit Girishbhai Kaloliya had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 950619 dated January 24, 2022 towards aggregating amount of Rupees 50,101/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”. Accordingly, the Company has filed Criminal Case against Mr. Ankit Girishbhai Kaloliya under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues. | interest, penalty, arrears amount | Further Statement Last Hearing Date: August 10, 2023 Next Hearing Date: September 02, 2023 |
| 7. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Rudrik Girishbhai Sagathiya | Criminal Case - 11015/20 22 dated March 3, 2022 | Hon’ble 2 nd Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | The Company had given a loan of Rupees 34,900/- to Mr. Rudrik Girishbhai Sagathiya on March 26, 2021 with terms and conditions mentioned in Loan No. 10000891. As per the terms and conditions, Mr. Rudrik Girishbhai Sagathiya was required to make repayment loan as per agreed terms and conditions. However, Mr. Rudrik Girishbhai Sagathiya had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000008 dated January 24, 2022 towards aggregating amount of Rupees 55,728/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”. Accordingly, the Company has filed Criminal Case against Mr. Rudrik Girishbhai Sagathiya | Rupees 55,728/- including interest, penalty, arrears amount | Current Status: Pending and Evidence of Prosecution Last Hearing Date: August 10, 2023 Next Hearing Date: September 02, 2023 |

| Sr. No | Name of the Complainant/ Plaintiff | Name of the Accused/ Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|--|---------------------------------|---|--|--|---|--|
| | | | | | under section 138 of the Negotiable Instruments Act, 1881 (the "NI Act") in relation to the dishonored of cheque and recovery of dues. | | |
| 8. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Arunkumar Tola Ram Bhargav | Criminal Case - 18181/2022 dated March 3, 2022 | Hon'ble 2 nd Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | <p>The Company had given a loan of Rupees 2,00,000/- to Mr. Arunkumar Tola Ram Bhargav on January 29, 2019 with terms and conditions mentioned in Loan No. 10010104000095.</p> <p>As per the terms and conditions, Mr. Arunkumar Tola Ram Bhargav was required to make re-payment loan as per agreed terms and conditions. However, Mr. Arunkumar Tola Ram Bhargav had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000191 dated February 24, 2022 towards aggregating amount of Rupees 1,34,436/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of "FUNDS INSUFFICIENT".</p> <p>Accordingly, the Company has filed Criminal Case against Mr. Arunkumar Tola Ram Bhargav under section 138 of the Negotiable Instruments Act, 1881 (the "NI Act") in relation to the dishonored of cheque and recovery of dues.</p> | Rupees 1,34,436/- including interest, penalty, arrears amount | <p>Current Status: Pending and Evidence of Prosecution</p> <p>Last Hearing Date: August 10, 2023</p> <p>Next Hearing Date: September 02, 2023</p> |
| 9. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Meenaben Vitthalbhai Mahadik | Criminal Case - 94605/2021 dated September 29, 2021 | Hon'ble 16 th Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | <p>The Company had given a loan of Rupees 22,600/- to Ms. Meenaben Vitthalbhai Mahadik on March 09, 2020 with terms and conditions mentioned in Loan No. 10000181.</p> <p>As per the terms and conditions, Ms. Meenaben Vitthalbhai Mahadik was required to make re-payment loan as per agreed terms and conditions. However, Ms. Meenaben Vitthalbhai Mahadik had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000019 dated August 16, 2021 towards aggregating amount of Rupees 38,011/- including</p> | Rupees 38,011/- including interest, penalty, arrears amount | <p>Current Status: Pending and Evidence of Prosecution</p> <p>Last Hearing Date: July 10, 2023</p> <p>Next Hearing Date: September 18, 2023</p> |

| Sr. No | Name of the Complainant/ Plaintiff | Name of the Accused/ Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|---|---------------------------------|---|--|--|---|--|
| | | | | | <p>interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”.</p> <p>Accordingly, the Company has filed Criminal Case against Ms. Meenaben Vitthalbhai Mahadik under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues.</p> | | |
| 10. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance Private Limited) | Rakeshbhai Sahdevbhai Masharam | Criminal Case - 94841/2021 dated September 29, 2021 | Hon’ble 16 th Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | <p>The Company had given a loan of Rupees 33,600/- to Mr. Rakeshbhai Sahdevbhai Masharam on January 18, 2020 with terms and conditions mentioned in Loan No. 10000017.</p> <p>As per the terms and conditions, Mr. Rakeshbhai Sahdevbhai Masharam was required to make re-payment loan as per agreed terms and conditions. However, Mr. Rakeshbhai Sahdevbhai Masharam had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 188145 dated August 16, 2021 towards aggregating amount of Rupees 50,370/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”.</p> <p>Accordingly, the Company has filed Criminal Case against Mr. Rakeshbhai Sahdevbhai Masharam under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues.</p> | Rupees 50,370/- including interest, penalty, arrears amount | <p>Current Status: Pending and Evidence of Prosecution</p> <p>Last Hearing Date: July 10, 2023</p> <p>Next Hearing Date: September 18, 2023</p> |
| 11. | Ashish B. Patel (Power of Attorney Holder of M/S. I.B.L. Finance | Shivshankar Mangataram Dubey | Criminal Case - 3753/2022 dated February 1, 2022 | Hon’ble 2 nd Additional Senior Civil Judge & Additional Chief Judicial Magistrate, Surat | <p>The Company had given a loan of Rupees 1,89,000/- to Mr. Shivshankar Mangataram Dubey on May 27, 2019 with terms and conditions mentioned in Loan No. 10010104000135.</p> <p>As per the terms and conditions, Mr. Shivshankar Mangataram</p> | Rupees 2,42,281/- including interest, penalty, arrears amount | <p>Current Status: Pending and Evidence of Prosecution</p> <p>Last Hearing Date: August 9, 2023</p> |

| Sr. No | Name of the Complainant/Plaintiff | Name of the Accused/Respondent | Case Type, Case No. and date of filing | Name of the Court | Description of the case | Amount Involved | Current Status, Stage and Hearing Status of the Case |
|--------|-----------------------------------|--------------------------------|--|-------------------|--|-----------------|--|
| | Private Limited) | | | | <p>Dubey was required to make repayment loan as per agreed terms and conditions. However, Mr. Shivshankar Mangataram Dubey had not re-paid amount to the Company. Moreover, up on depositing the Cheque No. 000146 dated December 31, 2021 towards aggregating amount of Rupees 2,42,281/- including interest, penalty, arrears amount, the Cheque was returned with an endorsement of “FUNDS INSUFFICIENT”.</p> <p>Accordingly, the Company has filed Criminal Case against Mr. Shivshankar Mangataram Dubey under section 138 of the Negotiable Instruments Act, 1881 (the “NI Act”) in relation to the dishonored of cheque and recovery of dues.</p> | | Next Hearing Date: September 1, 2023 |

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 2: LITIGATION RELATING TO OUR PROMOTERS CUM DIRECTORS OF THE COMPANY

A. LITIGATION AGAINST OUR PROMOTERS CUM DIRECTORS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

Indirect Tax: NIL

Direct Tax:

Mr. Manishbhai Mansukhbhai Patel (Promoter cum Director)

As per details available on the website of the Income Tax Department Mr. Manishbhai Mansukhbhai Patel (hereinafter referred to as the “Assessee”) has been issued with an intimation order under Section 143(1)(a) of the Income Tax Act, 1961, bearing

notice reference no. 2016201537004223815T dated April 25, 2016 raising a demand of ₹ 2,180/- for A.Y. 2015-16 and the same has been disagreed by Assessee (either in full or part) on the ground that as per Form 26AS of the Assessee, he has already deposited Tax amounting to Rupees 10,000/- and accordingly, instead of payment of Rupees 2,180/-, Assessee is eligible for refund of Rupees 7,820/-. On the other side, Assessment Officer claims that Demand Outstanding is correct and collectible. As on the date, the said Demand is outstanding to be payable by the Assessee.

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR PROMOTERS CUM DIRECTORS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 3: LITIGATION RELATING TO OUR DIRECTORS OTHER THAN PROMOTERS DIRECTORS OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS OTHER THAN PROMOTERS DIRECTORS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR DIRECTORS OTHER THAN PROMOTERS DIRECTORS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

PART 4: LITIGATION RELATING TO OUR SUBSIDIARIES:

Not applicable as the Company does not have any subsidiaries.

PART 5: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Disciplinary Actions by Authorities

NIL

4) Litigation involving Tax Liability

NIL

5) Other Pending Litigation based on Materiality Policy of our Company

NIL

DISCIPLINARY ACTION INCLUDING PENALTY IMPOSED BY SEBI OR STOCK EXCHANGES AGAINST THE PROMOTER, DIRECTORS, GROUP COMPANIES AND PROMOTOR GROUP DURING THE LAST 5 FINANCIAL YEARS

There are no disciplinary actions including penalty imposed by SEBI or Stock Exchanges against the Promoters, Directors or Group Companies during the last 5 financial years including outstanding actions except as disclosed above.

PAST INQUIRIES, INSPECTIONS OR INVESTIGATIONS

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last five years immediately preceding the year of this DRHP in the case of our Company, Promoter, and Directors. Other than as described above, there have been no prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last five years immediately preceding the year of the DRHP

OUTSTANDING LITIGATION AGAINST OTHER PERSONS AND COMPANIES WHOSE OUTCOME COULD HAVE AN ADVERSE EFFECT ON OUR COMPANY

As on the date of the DRHP, there is no outstanding litigation against other persons and companies whose outcome could have a material adverse effect on our Company.

PROCEEDINGS INITIATED AGAINST OUR COMPANY FOR ECONOMIC OFFENCES

There are no proceedings initiated against our Company for any economic offences.

NON-PAYMENT OF STATUTORY DUES

As on the date of the DRHP there have been no (i) instances of non-payment or defaults in payment of statutory dues by our Company, (ii) over dues to companies or financial institutions by our Company, (iii) defaults against companies or financial institutions by our Company, or (iv) contingent liabilities not paid for.

MATERIAL FRAUDS AGAINST OUR COMPANY

There have been no material frauds committed against our Company in the five years preceding the year of this DRHP.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

DISCLOSURES PERTAINING TO FRAUDULENT BORROWER

Our Company or any of our Promoters or Group Companies or Directors are not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Condition and Results of Operations*" beginning on page 182 of this Draft Prospectus. There have been no material developments that have occurred after the Last Balance Sheet Date.

OUTSTANDING DUES TO CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

As of March 31, 2023, we had total 16 creditors. The aggregate amount outstanding to such creditors as on March 31, 2023 was Rupees 6.59 Lakhs.

As per the requirements of SEBI Regulations and policy on Materiality for the purpose of Disclosures in the Draft Prospectus / Prospectus ("Offer Documents") under Part A of the Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2018, the Company considered any creditors as "Material Creditor", if amount dues to such creditor is equal to in excess of 3.00% of Trade Payable of the Company, as per the restated financial information of the most recent period i.e. i.e. F.Y. 2022-23, included in the Offer Documents.

Since, Total Trade Payable as at March 31, 2023 is ₹ 6.59 Lakh, any creditor to whom the amount in excess of Rupees 0.20 Lakh (being 3.00% of ₹ 6.59 Lakh) is payable as on March 31, 2023 is considered as "Material Creditors".

Hence, the bifurcation of MSME Creditors, Material Creditors and Other Creditors of the Company are mentioned below:

| Sr. No. | Particulars | Number of Creditors | Amount (₹ in Lakh) |
|----------------|---|----------------------------|---------------------------|
| 1. | Amount due to Micro and Small Enterprises | 0 | 0.00 |
| 2. | Amount due to Material Creditors | 8 | 5.41 |
| 3. | Amount due to Other Creditors | 8 | 1.18 |
| | Total | 16 | 6.59 |

The details pertaining to amounts due towards the material creditors are available on the website of our Company at www.iblfinance.in.

It is clarified that the information provided on the website of our Company is not a part of this Draft Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.iblfinance.in, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

Our business requires various approvals, licenses, registrations, and permits issued by relevant governmental and regulatory authorities under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations, and permits obtained by our Company, which are necessary for undertaking our business.

In view of such material approvals, our Company can undertake the Offer and its current business activities as disclosed in this Draft Prospectus. In addition, certain of our key approvals, licenses, registrations, and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures, as necessary.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

A. APPROVALS IN RELATION TO OUR COMPANY'S INCORPORATION

1. Certificate of Incorporation dated August 03, 2017 from the Registrar of Companies, Central Registration Center, under the Companies Act, 2013 as "IBL Finance Private Limited".
2. Certificate of change of name of the Company from "IBL Finance Private Limited" to "IBL Finance Limited" dated May 22, 2023 issued by the ROC upon the conversion of the Company from Private Limited Company to Public Limited Company.
3. Our Company has been allotted a corporate identification number: U65999GJ2017PLC098565.

B. APPROVALS IN RELATION TO THE ISSUE

I. CORPORATE APPROVALS

1. Subject to the approval by the shareholders of our Company, our Board of Directors has, pursuant to resolutions passed at its meeting held on June 10, 2023, authorized this Issue under section 62(1)(c) of the Companies Act, 2013.
2. Our shareholders have, pursuant to a resolution dated July 07, 2023, authorized this Issue under Section 62(1)(c) of the Companies Act, 2013.

II. APPROVALS FROM STOCK EXCHANGE

1. Our Company has received in-principle listing approval from the Emerge Platform of National Stock Exchange of India Limited dated [●] for listing of Equity Shares issued pursuant to this issue.

III. OTHER APPROVALS

1. The Company has entered into a tripartite agreement dated March 31, 2023 with the Central Depository Services (India) Limited (CDSL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.
2. The Company has entered into an agreement dated December 22, 2022 with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who in this case is Bigshare Services Private Limited, for the dematerialization of its shares.

C. APPROVALS / LICENSES / PERMISSIONS IN RELATION TO OUR BUSINESS:

I. BUSINESS RELATED APPROVALS:

| Sr. No. | Description | Registration / Membership No. | Issuing Authority / Agency | Date / Month of Issue | Date of Expiry |
|---------|---|-------------------------------|---|--|----------------------|
| 1. | Certificate of Registration for commencing the business of Non-Banking Financial Institution without accepting Public Deposit. | B.01.00589 | Reserve Bank of India, Department of Non-Banking Supervision, Ahmedabad Regional Office | Original: March 08, 2018 Updated: July 04, 2023 | Valid till Cancelled |
| 2. | Registration with Equifax, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | 024FP00685 | Equifax | March, 2018 [#] | March 31, 2024 |

| Sr. No. | Description | Registration / Membership No. | Issuing Authority / Agency | Date / Month of Issue | Date of Expiry |
|---------|--|-------------------------------|--|-----------------------------|----------------|
| 3. | Registration with Experian Credit Information Company of India Private Limited, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NBFIBL3776 | Experian Credit Information Company of India Private Limited | March 22, 2018 | March 31, 2024 |
| 4. | Registration with CIBIL, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NB4421 | CIBIL | April 2, 2018 | March 31, 2024 |
| 5. | Registration with CRIF High Mark Credit Information Services, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NBF0001701 | CRIF High Mark Credit Information Services | March 21, 2018 [^] | March 20, 2024 |

* Application for change in name of the Company from “IBL Finance Private Limited” to “IBL Finance Limited” has been made to respective Issuing Authority and the same is under process.

Certificate does not contain any particular date except month and year of issue of registration.

[^]As per Agreement date

II. TAX RELATED APPROVALS

| Sr. No. | Description | Registration No. | Issuing Authority | Date of Issue | Date of Expiry |
|---------|---|------------------|-----------------------------------|--|----------------------|
| 1. | Permanent Account Number (PAN) | AAECI5851N | Income Tax Department | August 03, 2017 | Valid till Cancelled |
| 2. | Tax Deduction Account Number (TAN) | SRTI00936F | Income Tax Department | June 01, 2023 | Valid till Cancelled |
| 3. | GST Registration Certificate (Gujarat) | 24AAECI5851N1Z8 | Goods and Services Tax department | Original: August 19, 2019 Updated: July 26, 2023 | Valid till Cancelled |
| 4. | Professional Tax Payer Enrolment Certificate (PEC) | PEC03CZ00120002 | Surat Municipal Corporation | Original: February 1, 2018 Updated: July 27, 2023 | Valid till Cancelled |
| 5. | Professional Tax Payer Registration Certificate (PRC) | PRC03CZ00022821 | Surat Municipal Corporation | February 1, 2018 | Valid till Cancelled |


III. REGISTRATIONS RELATED TO LABOUR LAWS:

| Sr. No. | Description | License No. | Issuing Authority | Date of Issue | Date of Expiry |
|---------|--|-----------------|-----------------------------|------------------------------|----------------------|
| 1. | Gujarat Shops and Establishment (Regulation) | RC/CZ/C/2/34029 | Surat Municipal Corporation | Original: September 24, 2021 | Valid till Cancelled |

| | | | | | |
|----|--|-------------------|--|-----------------------|----------------------|
| | of Employment and Conditions of Services) Act, 2019 | | | Updated: July 6, 2023 | |
| 2. | Registration under State Insurance Act (ESIC)* | 39000563150001099 | Sub-Regional Office, Employee's State Insurance Corporation, Surat | March 09, 2019 | Valid till Cancelled |
| 3. | Registration under the Employees Provident Fund Organization (EPFO)* | SRSRT1925595000 | Regional Provident Fund, Regional Office, Surat | March 09, 2019 | Valid till Cancelled |

* Application for change in name of the Company from "IBL Finance Private Limited" to "IBL Finance Limited" has been made to respective Issuing Authority and the same is under process.

IV. INTELLECTUAL PROPERTY

| Sr. No. | Brand Name / Logo Trademark* | Registration and Class Number | Owner | Date of Application | Authority | Current Status | Date of Expiry |
|---------|--|---|-----------------------------|---------------------|--------------------------------|----------------|----------------|
| 1. | Device of "IBL FINANCE"  | 2446595 under Class 36 in respect of Insurance, Financial Affairs, Monetary Affairs, Real Estate Affairs. | IBL Finance Private Limited | March 19, 2018 | Registrar Of Trademark, Mumbai | Registered | March 19, 2028 |

* Application for change in name of the Company from "IBL Finance Private Limited" to "IBL Finance Limited" has been made to respective Issuing Authority and the same is under process.


V. DOMAIN NAME

| Sr. No. | Domain Name and ID | Sponsoring Registrar | Registrant Name | Creation Date | Registry Expiry Date |
|---------|--|----------------------|---------------------|--------------------------|----------------------|
| 1. | www.iblfinance.in | GoDaddy.com LLC | IBL Finance Limited | Original: August 7, 2020 | August 2, 2030 |

In addition to above licenses and approvals and except as stated in this chapter, it is hereby mentioned that no application has been made for license / approvals required by the Company and no approval is pending in respect of any such application made with any of the authorities.

VI. APPLICATION MADE FOR CHANGE IN NAME OF THE COMPANY IN REGISTRATION / LICENSE

| Sr. No. | Description | Registration / Membership No. | Issuing Authority / Agency | Application Date |
|---------|--|-------------------------------|--|------------------|
| 1. | Registration with Equifax, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | 024FP00685 | Equifax | July 28, 2023 |
| 2. | Registration with Experian Credit Information Company of India Private Limited, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NBFIBL3776 | Experian Credit Information Company of India Private Limited | July 28, 2023 |
| 3. | Registration with CIBIL, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NB4421 | CIBIL | August 2, 2023 |
| 4. | Registration with CRIF High Mark Credit Information Services, Credit Information Company as per Master Direction - Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016* | NBF0001701 | CRIF High Mark Credit Information Services | July 31, 2023 |
| 5. | Registration under State Insurance Act (ESIC)* | 39000563150001099 | Sub-Regional Office, | July 7, 2023 |

| | | | | |
|----|--|--|---|---------------|
| | | | Employee's State Insurance Corporation, Surat | |
| 6. | Registration under the Employees Provident Fund Organization (EPFO)* | SRSRT1925595000 | Regional Provident Fund, Regional Office, Surat | June 26, 2023 |
| 7. | Device of "IBL FINANCE"  | 2446595 under Class 36 in respect of Insurance, Financial Affairs, Monetary Affairs, Real Estate Affairs | Registrar Of Trademark, Mumbai | July 3, 2023 |

VII. MATERIAL APPROVALS TO BE OBTAINED BY OUR COMPANY

1. Material approvals or renewals applied for but not received

NIL

2. Material approvals expired and not applied for renewal

NIL

3. Material approvals required but not applied for or obtained

Our Company has recently opened the following branches for which certain licenses are not applied or obtained;

| Sr. No. | Branch Name | Date of Opening | Authority | License Type |
|---------|------------------|-----------------|--|--|
| 1. | Ahmedabad Branch | June 12, 2023 | Ahmedabad Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Ahmedabad Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Ahmedabad Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Ahmedabad | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 2. | Bhavnagar Branch | June 10, 2023 | Bhavnagar Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Bhavnagar Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Bhavnagar Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Bhavnagar | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 3. | Jamnagar Branch | June 16, 2023 | Jamnagar Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Jamnagar Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Jamnagar Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Jamnagar | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 4. | Junagadh Branch | July 01, 2023 | Junagadh Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Junagadh Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Junagadh Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Junagadh | Sub Code Registration under State Insurance Act |

| Sr. No. | Branch Name | Date of Opening | Authority | License Type |
|---------|-----------------|-----------------|---|--|
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 5. | Rajkot Branch | July 01, 2023 | Rajkot Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Rajkot Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Rajkot Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Rajkot | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 6. | Vadodara Branch | July 01, 2023 | Vadodara Municipal Corporation | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Vadodara Municipal Corporation | Professional Tax Payer Registration Certificate (PRC) |
| | | | Vadodara Municipal Corporation | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Vadodara | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | Addition of Additional Place in Existing GST Certificate |
| 7. | Mumbai Branch | July 01, 2023 | Municipal Corporation of Greater Mumbai (K East Ward) | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Municipal Corporation of Greater Mumbai (K East Ward) | Professional Tax Payer Registration Certificate (PRC) |
| | | | Municipal Corporation of Greater Mumbai (K East Ward) | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Mumbai | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | GST Certificate |
| 8. | Surat Bran | April 15, 2023 | Municipal Corporation of Greater Mumbai (K East Ward) | Professional Tax Payer Enrolment Certificate (PEC) |
| | | | Municipal Corporation of Greater Mumbai (K East Ward) | Professional Tax Payer Registration Certificate (PRC) |
| | | | Municipal Corporation of Greater Mumbai (K East Ward) | Shops and Establishment |
| | | | Sub-Regional Office, Employee's State Insurance Corporation, Mumbai | Sub Code Registration under State Insurance Act |
| | | | Goods and Services Tax department | GST Certificate |

Further, for risks associated with statutory and regulatory approvals please see, ***“Risk Factors - Certain statutory and regulatory licenses and approvals are required for conducting our business and any failure or omission to obtain, maintain or renew these licenses and approvals in a timely manner, or at all, could adversely affect our business and results of operations.”*** on page 20

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

The Issue has been authorised by a resolution of the Board of Directors passed at their meeting held on June 10, 2023 subject to the approval of shareholders of our Company through a special resolution to be passed, pursuant to Section 62(1)(c) of the Companies Act, 2013.

The members of our Company have approved this Issue by a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extraordinary General Meeting of our Company held on July 07, 2023.

Our Board has approved this Draft Prospectus through its resolution dated August 14, 2023.

We have received In-Principle Approval from National Stock Exchange of India Limited vide their letter dated [●] to use the name of National Stock Exchange of India Limited in this Draft Prospectus for listing of our Equity Shares on EMERGE Platform of National Stock Exchange of India Limited. National Stock Exchange of India Limited (NSE Limited) is the Designated Stock Exchange.

PROHIBITION BY THE SEBI OR OTHER GOVERNMENTAL AUTHORITIES

Our Company, Promoters, Promoter Group, Directors are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court as on the date of this Draft Prospectus.

The listing of any securities of our Company has never been refused at any time by any of the stock exchanges in India.

Further, none of our Promoters or Directors are declared as fugitive economic offenders under Fugitive Economic Offenders Act, 2018.

ASSOCIATION WITH SECURITIES MARKET

None of our Directors in any manner are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

PROHIBITION BY RBI

Neither our Company, our subsidiary, our Promoters, our Directors, the relatives (as defined under the Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a willful defaulter or a fraudulent borrower by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter titled "*Outstanding Litigations and Material Development*" beginning on page 192 of this Draft Prospectus.

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

Our Company, Promoters and members of the Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 as amended ("**SBO Rules**"), to the extent applicable to each of them as on the date of this Draft Prospectus.

ELIGIBILITY FOR THE ISSUE

Our company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, 2018; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations, 2018.

Our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue face value capital is less than or equal to ten crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange"), in this case being the Emerge Platform of NSE India. Our Company also complies with eligibility conditions laid by Emerge Platform of NSE India for listing of Equity Shares.

We confirm that:

- a. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we have not filed any Draft Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Draft Prospectus/ Prospectus with Stock Exchange and the Registrar of Companies.
- b. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, 2018, this Issue has been one hundred (100) percent underwritten and that the Lead Manager to the Issue has underwritten at least 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to the Chapter "*General Information*" beginning on page 47 of this Draft Prospectus.
- c. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed Allottee's in the issue shall be greater than or equal to fifty (50), failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI (ICDR) Regulations, 2018 and other applicable laws.

d. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, we here by confirm that we have entered into an agreement with the Lead Manager and Market Maker to ensure compulsory Market Making for a minimum period of (3) three years from the date of listing of equity shares offered in this issue. For further details of the arrangement of market making please see chapter titled “**General Information**” beginning on page 47 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on EMERGE Platform of NSE Limited which states as follows:

In terms of Regulation 229(3) of the SEBI (ICDR) Regulations, 2018, We confirm that we have fulfilled eligibility criteria for EMERGE Platform of NSE, which are as under

1. The issuer should be a Company incorporated Under Companies Act, 1956/2013.

Our Company is incorporated under the Companies Act, 2013

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company will be less than ₹ 25 crores.

3. Track Record

A) Our Company have a (combined) track record of at least 3 years.

Our Company was incorporated on August 03, 2017 and has a track record of at least 3 years as on the date of filing Prospectus.

(₹ in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|--|----------------------|----------------------|----------------------|
| Net Profit as per Restated Financial Statement | 192.83 | 42.73 | -9.88 |

B) The company/entity should have operating profit (earnings before interest, depreciation and tax) from operations for atleast any 2 out of 3 financial years preceding the application and its net-worth should be positive.

(₹ in lakhs)

| Particulars | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|---|----------------------|----------------------|----------------------|
| Cash Accruals as per Restated Financial Statement | 399.70 | 70.06 | (2.43) |
| Net Worth as per Restated Financial Statement | 2048.74 | 355.47 | 312.73 |

4. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

The Company’s shares bear an ISIN: INE007401018

5. Company shall mandatorily have a website.

Our Company has a live and operational website - <https://iblfinance.in/>

6. Other Listing Condition:

- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- There has been no change in the promoter/s of the Company in preceding one year from the date of filing application to NSE Limited for listing on EMERGE segment
- There is no material regulatory or disciplinary action taken by any stock exchange or regulatory authority in the past one year in respect of promoters of our Company.
- There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

- f. There are no criminal cases filed or nature of the investigation being undertaken with regard to alleged commission of any offence by any of its directors and its effect on the business of the company, where all or any of the directors of issuer have or has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc. For further details please refer the chapter titled “***Legal and Other Information***” on page 192 of this Draft Prospectus
- g. The applicant, promoters/promoting company(ies), group companies, companies promoted by the promoters/promoting company(ies) litigation record, the nature of litigation, and status of litigation. For further details please refer the chapter titled “***Legal and Other Information***” on page 192 of this Draft Prospectus.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the EMERGE Platform of the NSE India.

COMPLIANCE WITH PART A OF SCHEDULE VI OF THE SEBI (ICDR) REGULATIONS, 2018

Our Company is in compliance with the provisions specified in Part A of Schedule VI of the SEBI (ICDR) Regulations, 2018. No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations, 2018, with respect to the Issue.

SEBI DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT PROSPECTUS. THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT PROSPECTUS, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, FEDEX SECURITIES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 14, 2023 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOUSER REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THIS DRAFT PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO, TAKE UP AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT PROSPECTUS.

ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, AHMEDABAD, IN TERMS OF SECTION 26 OF THE COMPANIES ACT, 2013.

DISCLAIMER FROM OUR COMPANY, OUR DIRECTORS AND THE LEAD MANAGER

Our Company, our Directors and the LM accept no responsibility for statements made otherwise than in this Draft Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our Company's website <https://iblfinance.in/> would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement entered into between the Underwriters and our Company. All information shall be made available by our Company and the LM to the investors and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.

CAUTION

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters 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 in the Issue.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, AIFs state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs. 2,500.00 Lakhs and pension funds with a minimum corpus of Rs. 2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform him or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public Issuing in any jurisdiction where action would be required for that purpose, except that this Draft Prospectus has been filed with NSE India for its observations and NSE India will give its observations in due course. Accordingly, the Equity Shares represented hereby may not be Issued or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws, legislations and Draft Prospectus in each jurisdiction, including India.

DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE INDIA

As required, a copy of this Draft Prospectus has been submitted to Emerge Platform of NSE India. The Disclaimer Clause as intimated by the NSE India to us, post scrutiny of this Draft Prospectus will be produced by our Company in the Prospectus.

DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant where required agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

LISTING

Our company has obtained In-Principle approval from NSE India vide letter dated [●] to use name of NSE India in this offer document for listing of equity shares on Emerge Platform of NSE India, with which Basis of Allotment will be finalized.

In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, there is requirement of obtaining In-Principle approval from EMERGE Platform of NSE India. Application will be made to the EMERGE Platform of NSE India for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE India is the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the issue.

If the permission to deal in and for an official quotation of the Equity Shares on the EMERGE Platform of NSE India is not granted by NSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus. The allotment letters shall be issued or application money shall be refunded / unblocked within such time prescribed by SEBI or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent per annum for the delayed period as prescribed under Companies Act, 2013, the SEBI (ICDR) Regulations and other applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the EMERGE Platform of NSE India mentioned above are taken within 6 Working Days of the Issue Closing Date.

CONSENTS

The written consents of our Promoters, Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor and Peer Reviewed Auditor, Legal Advisor to the Issue, Bankers to our Company, Lead Manager, Registrar to the Issue, Underwriter, Market Maker, Banker to Issue and Sponsor Bank to act in their respective capacities have been obtained and will be

filed along with a copy of the Prospectus with the ROC, as required under Sections 26 of the Companies Act, 2013 and such consents shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, VCAS & CO., Chartered Accountants, Peer Review Auditors, of the Company have agreed to provide their written consent to the inclusion of their report, Restated Financial Statements and statement of Tax Benefits dated August 04, 2023 and July 13, 2023 respectively, which may be available to the Company and its shareholders, included in this Draft Prospectus in the form and context in which they appear therein and such consent and reports have not been withdrawn up to the time of delivery of the Prospectus with ROC.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: “Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) 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 (c) 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 ₹10.00 lakhs or one per cent 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 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and track record of the past issue handled by Fedex Securities Private Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by SEBI, please refer Annexure "A" and the website of Lead Manager at www.fedsec.in

Annexure A

DISCLOSURE OF PRICE INFORMATION OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

TABLE 1

| Sr. No. | Issuer Name | Issue Size (Cr) | Issue Price (₹) | Listing date | Opening price on listing date | +/- % change in closing price, [+/- % change in closing benchmark]-30 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]-90 th calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark]-180 th calendar days from listing |
|---------|--|-----------------|-----------------|--------------------|-------------------------------|--|--|---|
| 1. | Wherrelz IT Solutions Limited | 2.01 | 171 | December 29, 2021 | 173.05 | 19.88% (-0.92%) | 18.13% (-0.37%) | 16.96% (-8.11%) |
| 2. | Sunrise Efficient Marketing Limited | 16.69 | 121 | April 12, 2022 | 121.25 | 0.41% (-7.66%) | -20.00% (-7.14%) | -9.92% (-1.00%) |
| 3. | Le Merite Exports Limited | 48.00 | 75 | May 09, 2022 | 75 | -5.13% (0.70%) | -16.00% (7.50%) | -15.27% (273.89%) |
| 4. | Kesar India Limited | 15.82 | 170 | July 12, 2022 | 172.50 | 47.35% (9.15%) | 31.76% (7.62%) | 1.18% (12.73%) |
| 5. | Virtuoso Optoelectronics Limited | 30.24 | 56 | September 15, 2022 | 117.00 | 183.75% (-3.36%) | 145.54% (4.34%) | 185.80% (-2.83%) |
| 6. | Tapi Fruit Processing Limited | 5.21 | 48 | September 22, 2022 | 52.10 | 4.38% (-0.30%) | 41.67% (4.29%) | 201.04% (-3.64%) |
| 7. | Moxsh Overseas Educon Limited | 10.42 | 153 | December 30, 2022 | 131.00 | -29.74% (-3.22%) | -50.26% (-6.10%) | Not Applicable |
| 8. | Lead Reclaim and Rubber Products Limited | 4.88 | 25 | February 21, 2023 | 27.50 | 27.80% (-3.79%) | 131.20% 2.74% | Not Applicable |
| 9. | Pattech Fitwell Tube Components Limited | 12 | 50 | April 21, 2023 | 55 | 52.00% 3.29% | Not Applicable | Not Applicable |
| 10. | Yasons Chemex Care Limited | 20.57 | 40 | August 03, 2023 | 32.00 | Not Applicable | Not Applicable | Not Applicable |

Sources: All share price data is from www.bseindia.com and www.nseindia.com

Note:

1. Opening price information as disclosed on the website of the Designated Stock Exchange.

2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange.
3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX is considered as the Benchmark Index as per the Designated Stock Exchange disclosed by the respective Issuer at the time of the issue, as applicable.
4. In case 30th/90th/180th day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
5. In case 30th/90th/180th days, scrips are not traded then last trading price has been considered.
6. This disclosure is restricted to last 10 issues handled by the Lead Manager.

TABLE 2: SUMMARY STATEMENT OF DISCLOSURE

| Financial year | Total no. of IPO | Total funds Raised (Rs. Cr) | Nos of IPOs trading at discount on 30 th Calendar Day from listing date | | | Nos of IPOs trading at premium on 30 th Calendar Day from listing date | | | Nos of IPOs trading at discount on 180 th Calendar Day from listing date | | | Nos of IPOs trading at premium on 180 th Calendar Day from listing date | | |
|----------------|------------------|-----------------------------|--|----------------|---------------|---|----------------|---------------|---|----------------|---------------|--|----------------|---------------|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2020-21 | *2 | 49.64 | - | - | 1 | - | - | 1 | - | - | 1 | 1 | - | - |
| 2021-22 | **5 | 153.99 | 1 | - | 2 | 1 | - | 1 | 1 | 1 | - | - | 1 | 2 |
| 2022-23 | ***7 | 131.26 | - | 1 | 1 | 1 | 2 | 2 | - | - | 2 | 2 | - | 1 |
| 2023-24 | ****2 | 32.57 | - | - | - | 1 | - | - | - | - | - | - | - | - |

*The script of Atam Valves Limited and Rangoli Tradecomm Limited were listed on October 06, 2020 and March 22, 2021 respectively.

** The script of Rajeshwari Cans Limited, Kuberan Global Edu Solutions Limited, Aashka Hospitals Limited Euro Panel Products Limited and Wherrelz IT Solutions Limited were listed on April 15, 2021, May 05, 2021, September 01, 2021, December 24, 2021 and December 29, 2021 respectively.

*** The scripts of Sunrise Efficient Marketing Limited, Le Merite Exports Limited, Kesar India Limited, Virtuoso Optoelectronics Limited and Tapi Fruit Processing Limited were listed on April 12, 2022, May 09, 2022, July 12, 2022, September 15, 2022 and September 22, 2022 respectively. The scripts of Moxsh Overseas Educon Limited and Lead Reclaim and Rubber Products Limited were listed on December 30, 2022 and February 21, 2023, respectively and have not completed 180 calendar days.

**** The script of Pattech Fitwell Tube Components Limited was listed April 21, 2023 and have not completed 90 calendar days. The script of Yasons Chemex Care Limited was listed August 03, 2023 and have not completed 30 calendar days

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the Lead Manager. Hence, disclosures pertaining to recent 10 issues handled by Lead Manager are provided.

TRACK RECORD OF PAST ISSUES HANDLED BY FEDEX SECURITIES PRIVATE LIMITED

For details regarding track record of the Lead Manager to the Offer as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the Lead Manager at: www.fedsec.in.

EXPERT OPINION

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

- Peer Review Auditors' reports dated August 04, 2023, on the Restated Financial Statements by M/S, VCAS & Co., Chartered Accountants.
- Statement of Tax Benefits dated July 13, 2023 by M/S, VCAS & Co., Chartered Accountants.

PREVIOUS PUBLIC OR RIGHTS ISSUE

Except as stated in the chapter titled "**Capital Structure**" beginning on page 55 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last Five (5) years and are an "Unlisted Issuer" in terms of SEBI (ICDR) Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations.

COMMISSION OR BROKERAGE

Since this is an Initial Public Offer of the Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since inception of the Company.

CAPITAL ISSUE DURING THE PREVIOUS THREE (3) YEARS BY ISSUER, LISTED GROUP COMPANIES AND SUBSIDIARIES OF OUR COMPANY

Except as disclosed in Chapter titled “*Capital Structure*” on page 55 of this Draft Prospectus our Company has not made any capital issue during the previous three (3) years.

Further, Our Company do not have any listed group Companies/ Subsidiaries / Associates.

PERFORMANCE VIS-À-VIS objects;

Except as stated in the chapter titled “*Capital Structure*” beginning on page 55 of this Draft Prospectus, we have not made any previous rights and / or public issues during the last five (5) years and are an “Unlisted Issuer” in terms of SEBI (ICDR) Regulations and this Issue is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations, the relevant data regarding performance vis-à-vis objects is not available with the Company.

None of our Group Companies have their equity shares listed on any stock exchange.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS GRANTED BY SEBI

Our Company has not undertaken any exemption with related to provision of securities law granted by SEBI.

STOCK MARKET DATA FOR OUR EQUITY SHARES

This being an Initial Public Offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The agreement between the Registrar to the Issue and our Company provides for the retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process and UPI may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Applicants, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities) or Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Applicants.

Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

SEBI, by way of its circular dated March 16, 2021 as amended by its circulars dated June 2, 2021 and April 20, 2022, has identified the need to put in place measures, in order to streamline the processing of ASBA applications through the UPI Mechanism and redressal of investor grievances arising out of the UPI Mechanism inter alia in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries / SCSBs and failure to unblock funds in cases of partial allotment / non allotment within prescribed timelines and procedures. Pursuant to the circular dated March 16, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including: (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) hosting of a web portal by the Sponsor Bank containing statistical details of mandate blocks / unblocks; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid / Batch; and (v) mandating SCSBs to ensure that the unblock process for non-allotted / partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid / Issue Closing Date, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four

Working Days from the Bid / Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. The following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario | Compensation amount | Compensation period |
|--|---|--|
| Delayed unblock for cancelled / withdrawn / deleted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock |
| Blocking more amount than the Bid Amount | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock |
| Delayed unblock for non – Allotted / partially Allotted applications | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher | From the Working Day subsequent to the finalization of the Basis of Allotment till the date of actual unblock |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the Lead Managers shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Our Company, the LM and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

The Company has appointed Registrar to the Issue, to handle the investor grievances in co-ordination with our Company. All grievances relating to the present Issue may be addressed to the Registrar with a copy to the Compliance Officer, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and name of bank and branch. The Company would monitor the work of the Registrar to the Issue to ensure that the investor grievances are settled expeditiously and satisfactorily. The Registrar to the Issue will handle investor's grievances pertaining to the Issue. A fortnightly status report of the complaints received and redressed by them would be forwarded to the Company. The Company would also be coordinating with the Registrar to the Issue in attending to the grievances to the investor.

All grievances relating to the ASBA process and UPI may be addressed to the SCSBs, giving full details such as name, address of the Applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant. We estimate that the average time required by us or the Registrar to the Issue or the SCSBs for the redressal of routine investor grievances will be seven (7) business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA applicants or UPI Payment Mechanism Applicants. Our Company, the Lead Manager and the Registrar to the Issue accept no responsibility for errors, omissions, commission or any acts of SCSBs / Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

The Company shall obtain authentication on the SCORES and shall comply with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013 in relation to redressal of investor grievances through SCORES.

Our Company has constituted a Stakeholders Relationship Committee of the Board vide resolution passed on April 18, 2023. For further details, please refer the chapter titled ***“Our Management”*** beginning on page 125 of this Draft Prospectus.

Our Company has also appointed Vanita Pednekar as the Company Secretary and Compliance Officer of our company, for this Issue he may be contacted in case of any pre-issue or post-issue related problems at the following address:

IBL FINANCE LIMITED

Shop-151, Silver Stone Arcade,

Nr. Kantheriya Hanuman Temple,

OP-34/A+B+C+D, FP-50, Si nganpore NA Causway Road,

Surat - 395004, Gujarat, India

Tel No: 9828116900

Email: compliance@iblfinance.in

Website: <https://iblfinance.in/>

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

SECTION VIII – ISSUE INFORMATION

TERMS OF ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, 2013, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, our Memorandum and Articles of Association, SEBI Listing Regulation, the terms of this Draft Prospectus, the Application Form, the Revision Form, the Confirmation of Allocation Note and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchange, the RBI, ROC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Please note that, in terms of Regulation 256 of the SEBI ICDR Regulations 2018 read with SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the applicants have to compulsorily apply through the ASBA Process and further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the “UPI Circular”) in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 (“UPI Phase II”). Further SEBI through its circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 has decided to continue with the Phase II of the UPI ASBA till further notice.

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application for Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.

Authority for the Issue

The present Public Issue of upto 67,25,000 shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 10, 2023 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-ordinary General Meeting held on July 07, 2023 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the issue shall be subject to the provisions of the Companies Act 2013 and our Memorandum and Articles of Association, SEBI ICDR Regulations, SCRA and shall rank pari-passu in all respects with the existing Equity Shares including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please see the chapter titled “*Main Provisions of the Articles of Association*” beginning on page 260 of this Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other rules, regulations or guidelines as may be issued by the Government of India in connection thereto and as per the recommendation by the Board of Directors and approved by the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company.

We shall pay dividends in cash and as per provisions of the Companies Act and our Articles of Association. Further Interim Dividend (if any declared) will be approved by the Board of Directors. For further details, please refer to chapters titled “*Dividend Policy*” and “*Main Provisions of Articles of Association*” beginning on pages 142 and 260 respectively of this Draft Prospectus.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10/- each and the Issue Price is ₹ [●]/- per Equity Share (including premium of ₹ [●]/- per Equity Share).

The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the chapter titled “*Basis for Issue Price*” beginning on page 80 of this Draft Prospectus.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the Equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy in accordance with the provisions of the Companies Act, 2013;
- Right to receive offer/ issue for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation subject to any statutory and other preferential claim being satisfied;
- Right of free transferability subject to applicable law, including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act, 2013, the terms of the SEBI Listing Regulations, and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please refer to the chapter titled “*Main Provisions of Articles of Association*” beginning on page 260 of this Draft Prospectus.

Minimum Application Value; Market Lot and Trading Lot

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by Emerge Platform of NSE India from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Share subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

In accordance with Regulation 267(2) of the SEBI (ICDR) Regulations 2018 the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

In accordance with Regulation 268 of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be fifty (50) shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and all the monies blocked by the SCSBs shall be unblocked within Four (4) working days of closure of issue.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, the sole or first applicant, along with other joint applicant, may nominate any one (1) person in whom, in the event of the death of sole applicant or in case of Joint Applicants, death of all the Applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in accordance to Section 72 (4) of the Companies Act, 2013, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Articles of Association of the Company, any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013, shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

| | |
|--|-------|
| ISSUE OPENS ON | [●] |
| ISSUE CLOSES ON | [●] |
| FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE | [●] |
| INITIATION OF REFUNDS / UNBLOCKING OF FUNDS FROM ASBA ACCOUNT | [●] |
| CREDIT OF EQUITY SHARES TO DEMAT ACCOUNTS OF ALLOTTEES | [●] |
| COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGE | [●] |

- *In terms of Regulation 265 of ICDR Regulations, the issue shall be open after at least three (3) working days from the date of filing the Draft Prospectus with the Registrar of Companies.*
- *In terms of Regulation 266 (3) of ICDR Regulations, in case of force majeure, banking strike or similar circumstances or for reason considered necessary by our Company, our Company may, for reasons to be recorded in writing, extend the Issue Period disclosed in the Draft Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days*
- *UPI mandate end time and date shall be at 5.00 p.m. on Bid/Issue Closing Date*

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be

compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the SCSB responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Issue LM shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022.

The above timetable is indicative and does not constitute any obligation or liability on our Company or the LM.

While the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid / Issue Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid / Issue Period by our Company in consultation with the LM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock

In terms of the UPI Circulars, in relation to the Issue, the LM will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid / Issue Closing Date, identifying non-adherence to timelines and processes and analysis of entities responsible for the delay and the reasons associated with it. SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Prospectus may result in changes to the above mentioned timelines. Further, the Issue procedure is subject to change to any revised SEBI circulars to this effect.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE EMERGE taken within six (6) Working Days of the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company, or any delays in receiving the final listing and trading approval from Emerge Platform of NSE India. The Commencement of trading of the Equity Shares will be entirely at the discretion of NSE India and in accordance with the applicable laws.

Submission of Application Forms:

| | |
|---|--|
| Issue period (except the Issue Closing Date) | |
| Submission and Revision of Application Form | Only between 10.00 a.m. to 5.00 p.m. IST |
| Issue Closing Date | |
| Submission and Revision of Application Form* | Only between 10.00 a.m. to 3.00 p.m. IST |

*UPI mandate end time and date shall be at 5.00 pm on Issue/Offer Closing Date

On the Issue Closing Date, the Applications shall be uploaded until:

1. Until 4.00 p.m. IST in case of application by QIBs and Non – Institutional Investors and
2. Until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Retail Individual Investors which may be extended up to such time as deemed fit by the Stock Exchange after taking into account the total number of applications received up to the closure of timings and reported by LM to the Stock Exchange.

On Bid / Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the LM to the Stock Exchanges.

The Registrar to the Issue shall submit the details of cancelled / withdrawn / deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid / Issue Opening Date till the Bid / Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Issue Closing Date. Any time mentioned in this Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Issue Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Issue period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period till 5.00 pm on the Bid/Issue Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

Our Company in consultation with the LM, reserve the right to revise the Price or size during the Bid/ Issue Period in accordance with the SEBI ICDR Regulations. The revision in the Price shall not exceed 20% size or amount move up or down to the extent of 20% of size or price

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from NSE EMERGE may be taken as the final data for the purpose of Allotment

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated in accordance with applicable law by the intermediary responsible for causing such delay in unblocking, which period shall start from the day following the receipt of a complaint from the Bidder. The BRLM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022 shall be deemed to be incorporated in the deemed agreement of the Bank with the SCSBs to the extent applicable, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022

Due to limitation of time available for uploading the application forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in the Draft Prospectus are Indian Standard Time (IST). Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public issues, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

Investors may please note that as per letter no. List/SMD/SM/2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids were not accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any further notification from the SEBI after filing of this Draft Prospectus may result in changes in the timelines.

The Designated Intermediaries shall modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period till 5.00 pm on the Bid/Offer Closing Date after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing

It is clarified that applications not uploaded on the electronic bidding system or in respect of which the full application Amount is not blocked by SCSBs or under the UPI Mechanism, as the case may be, would be rejected.

In case of force majeure, banking strike or similar circumstances, the issuer may, for reasons to be recorded in writing, extend the (Issue) period disclosed in the Draft Prospectus, for a minimum period of three (3) working days, subject to the Issue Period not exceeding ten (10) working days.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received NSE EMERGE may be taken as the final data for the purpose of Allotment.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten as per Regulation 260(1) of SEBI ICDR Regulation.

If the issuer does not receive the subscription of hundred per cent (100%) of the Issue through Draft Prospectus on the date of closure of the issue including devolvement of underwriters, if any, or if the subscription level falls below hundred per cent (100%) after the closure of issue on account of withdrawal of applications, or after technical rejections, or if the listing or trading permission is not obtained from the stock exchange for the securities so Issued under the Draft Prospectus, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond Four (4) days after the issuer becomes liable to pay the amount, the issuer and every director of the issuer who are officers in default, shall pay interest at the rate of fifteen per cent per annum (15% p.a)

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than fifty (50), failing which the entire application monies shall be refunded forthwith, in accordance with the SEBI ICDR Regulations and other applicable laws.

Arrangements for Disposal of Odd Lots

The trading of the equity shares will happen in the minimum contract size of [●] Equity shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of NSE India.

Withdrawal of the Issue

Our Company in consultation with the Lead Manager, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for

not proceeding with the Issue. The Lead Manager through, the Registrar to the Issue, shall notify the SCSBs or the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one (1) working day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed. If the Issue is withdrawn after the designated Date, amounts that have been credited to the Public Issue Account shall be transferred to the Refund Account.

Notwithstanding the foregoing, this Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and (ii) the final ROC approval of the Prospectus after it is registered with the ROC. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue, our Company shall file a fresh Prospectus.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for lock-in of the Pre-Issue Equity Shares and Promoters' minimum contribution in the Issue as detailed in the chapter titled "**Capital Structure**" beginning on page 55 of this Draft Prospectus, and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. For details, please refer to the chapter titled "**Main Provisions of Articles of Association**" beginning on page 260 of this Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants 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.

New Financial Instruments

As on the date of this Draft Prospectus, there are no outstanding warrants, new financial instruments or any rights, which would entitle the shareholders of our Company, including our Promoters, to acquire or receive any Equity Shares after the Issue. Further, our Company is not issuing any new financial instruments through this Issue.

Application by Eligible NRIs, FPIs or VCFs registered with SEBI

Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors. The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Allotment of Equity Shares Only in Dematerialized Form

In terms of Section 29 of the Companies Act 2013, the Equity Shares shall be Allotted only in dematerialized form.

As per the existing SEBI ICDR Regulations, 2018 the trading of the Equity Shares shall only be in dematerialized form for all investors.

In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Prospectus:

- Tripartite agreement dated March 31, 2023 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated December 22, 2022 among NSDL, our Company and the Registrar to the Issue

Investors should note that Allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of getting Allotment of the Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provision of the Companies Act and the Depositories Act.

MIGRATION TO MAIN BOARD

The Company may be migrated to Main Board pursuant to Regulation 277 of the SEBI (ICDR) Regulation and in accordance to that Securities Exchange Board of India (SEBI) vide Circular Nos. CIR/MRD/DSA/17/2010 dated May 18, 2010 has stipulated the requirements for migration from SME platform to main board.

The migration policy of NSE was intimated vide circular Download Ref.No.: NSE/SME/26110 dated March 10, 2014, further revised vide circular Download Ref.No.. NSE/SME/37551 dated April 18, 2018 and NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. The migration eligibility of NSE is notified on <https://www.nseindia.com/resources/exchange-communication-circulars> and as amended time to time.

MARKET MAKING

The shares offered though this issue is proposed to be listed on the EMERGE Platform of NSE India, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the Emerge Platform of NSE India for a minimum period of three (3) years from the date of listing of shares offered though this Draft Prospectus. For further details of the market making arrangement please refer the chapter titled “*General Information*” beginning on page 47 of this Draft Prospectus.

ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue Face value capital exceeds Rs. 10 crores, shall issue shares to the public and propose to list the same on the EMERGE Platform of NSE Limited. For further details regarding the salient features and terms of such an issue, please refer to the chapter titled “*Terms of the Issue*” and “*Issue Procedure*” on page 221 and 231 respectively of this Draft Prospectus.

Public issue of up to 67,25,000 Equity Shares of face value of ₹ 10.00/- each for cash at a price of ₹ [●] per equity share including a share premium of ₹ [●] per equity share (the “issue price”) aggregating up to Rs. [●] Lakhs (“the issue”) by our company.

| Particulars | Net Issue to Public | Market Maker Reservation Portion |
|---|--|---|
| Number of Equity Shares | [●]* | [●] |
| Percentage of Issue Size available for allocation | [●] | [●] |
| Basis of Allotment/Allocation if respective category is oversubscribed | Proportionate subject to minimum allotment of [●] Equity Shares and Further allotment in multiples of [●] Equity Shares each. | Firm Allotment |
| Mode of Application | Retail Individual Investor may apply through UPI Payment Mechanism. All other applicants and Retail Individual Investors (whose bank do not provide UPI ID) shall apply through ASBA process only. | Through ASBA mode Only. |
| Minimum Application Size | For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value exceeds ₹ 2,00,000 For Retail Individuals: Such number of equity shares where application size is of at least [●] Equity Shares. | [●] Equity Shares |
| Maximum Bid | For QIB and NII: Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Size does not exceed the Net Issue. For Retail Individuals: Such number of equity Shares so that the Application Value does not exceed ₹ 2,00,000/- | [●] Equity Shares |
| Mode of Allotment | Compulsorily in dematerialized mode | Compulsorily in dematerialized mode |
| Trading Lot | [●] Equity Shares | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. |
| Terms of payment | In case of ASBA, the entire application amount shall be blocked at the time of submission of Application Form to the SCSBs and in case of UPI as an alternate mechanism, application amount shall be blocked at the confirmation of mandate collection request by the Applicant. | |

* 50 % of the shares offered in the Net Issue to Public portion are reserved for applications whose value is below ₹ 2,00,000 and the balance 50 % of the shares are available for applications whose value is above ₹ 2,00,000.

Note:

- In case of joint application, the Application Form should contain only the name of First Applicant whose name should also appear as the first holder of beneficiary account held in joint names. The signature of only such First Applicant would be Required in the Application Form and such First Applicant would be deemed to have signed on behalf of joint holders.*

2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the LM, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018. For further details please refer chapter titled “**Issue Procedure**” beginning on page 231 of this Draft Prospectus.*

ISSUE PROCEDURE

All Applicants should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular SEBI/HO/CFD/DIL2/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”), which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchange and the LM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Applications by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Issue; (ii) maximum and minimum Issue size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Applicants; (v) Issuance of CAN and Allotment in the Issue; (vi) General instructions (limited to instructions for completing the Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Application Form; (x) other instructions (limited to joint applications in cases of individual, multiple applications and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiv) interest in case of delay in Allotment or refund.

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able for any amendment, modification or change in applicable law, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with the applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and the circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 (collectively the “UPI Circulars”) has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanisms for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 (“UPI Phase I”).

With effect from July 1, 2019, with respect to Bids by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public Issue, whichever is later (“UPI Phase II”). Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount be continued till further notice. Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs (“UPI Phase III”), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public issues opening on/or after May 01, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, has introduced certain additional measures for streamlining the process of initial public issues and redressing investor grievances. This circular shall come into force for initial public issues opening on or after May 1, 2021, except as amended pursuant to SEBI circular dated June 2, 2021, and the provisions of this circular, as amended, are deemed to form part of this Draft Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offering (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. Subsequently, pursuant to the May 30, 2022 Circular, applications made using the ASBA facility in initial public offerings (opening on or after September 1, 2022) shall be processed only after application monies are blocked in the bank accounts of investors (all categories).

In terms of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

Our Company and the Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Issue.

The revisions of the circular dated June 02, 2021 are elaborated as under: -

SCSB's shall continue to send SMS alerts during the actual block/debit/unblock of UPI mandate in the prescribed format, the details of total number of shares applied/allotted/non-allotted etc. shall be included in SMS for Public Issue opening on/after January 01, 2022.

The automated web portal shall be live and operational after due testing and mock trials with the CUG entities for Public Issue opening on or after October 01, 2021. The requisite information on this automated portal shall be updated periodically in intervals not exceeding two hours.

In the interim, for the Public Issue opening from the date of this circular and till the automated web portal is live and operational, the Sponsor Banks shall send the details to the e-mail address of CUG entities periodically in intervals not exceeding three hours. In case of exceptional events viz., technical issues with UPI handles/PSPs/TPAPS/SCSB's etc., the same shall be intimated immediately to the CUG entities so as to facilitate the flow of information in the Public Issue process.

The Stock Exchanges and Lead Manager shall facilitate providing the requisite data of CUG entities to Sponsor Bank for the development of automated web portal. Such information shall be provided to the Sponsor Bank before opening of the Public Issue.

The Registrar to the Issue shall provide the allotment/ revoke files to the Sponsor Bank by 8:00 PM on T+3 i.e., the day when the Basis of Allotment (BOA) has to be finalized.

The Sponsor Bank shall execute the online mandate revoke file for Non-Allottees/ Partial Allottees and provide pending applications for unblock, if any, to the Registrar to the Issue, not later than 5:00 PM on BOA+1.

Subsequent to the receipt of the pending applications for unblock from the Sponsor Bank, the Registrar to the Issue shall submit the bank-wise pending UPI applications for unblock to the SCSBs, not later than 6:30 PM on BOA+1 and ensure that the unblocking is completed on T+4.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding Four (4) Working Days from the Issue Closing Date, the Applicant shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding Four (4) Working Days from the Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Applications money to four days. Applicant are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Prospectus.

Further, our Company and the Syndicate are not liable for any adverse occurrence's consequent to the implementation of the UPI Mechanism for application in this Issue.

Further the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. The lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by Stock Exchange to act as intermediaries for submitting Application Forms are provided on the website of the Stock Exchange. For details on their designated branches for submitting Application Forms, please refer the above-mentioned Stock Exchange website.

Phased implementation of Unified Payments Interface

SEBI has issued a UPI Circulars in relation to streamlining the process of public Issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the

account maintained with SCSBs under the ASBA) for applications by RIIs through intermediaries with the objective to reduce the time duration from public Issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

Phase I:

This phase was applicable from January 1, 2019, until March 31, 2019, or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

Phase II:

This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, extended the timeline for implementation of UPI Phase II till further notice.

Phase III:

The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Issue Opening Date.

For further details, refer to the General Information Document available on the websites of the Stock Exchange and the Lead Manager

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 (the “UPI Streamlining Circular”), SEBI

has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors’ complaints, the relevant SCSB as well as the post–Issue LM will be required to compensate the concerned investor.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI.

Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the UPI Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the LM.

Further, pursuant to SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, all Retail Individual Bidders applying in public issues where the application amount is up to ₹500,000 shall use UPI and shall also provide their UPI ID in the Bid cum Application Form submitted with any of the entities mentioned herein below:

- (i) a syndicate member;
- (ii) a stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for this activity);
- (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for this activity).

FIXED PRICE ISSUE PROCEDURE

The Issue is being made under Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 through a Fixed Price Process. Wherein a minimum 50% of the Net Issue is allocated for Retail Individual Applicants and the balance shall be offered to individual applicants other than Retail Individual Applicants and other investors including Corporate Bodies or Institutions, QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non-retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to valid Applications being received from them at or above the Issue Price.

Additionally, if the Retail Individual Applicants category is entitled to more than fifty per cent on proportionate basis, the Retail Individual Applicants shall be allocated that higher percentage. However, the Application by an Applicant should not exceed the investment limits prescribed under the relevant regulations/statutory guidelines.

Subject to the valid Applications being received at the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the LM and the Stock Exchange are required to submit their Applications to the Application Collecting Intermediaries i.e. SCSB or Registered Brokers of Stock Exchanges or Registrar to the Issue and Share Transfer Agents (RTAs) or Depository Participants (DPs) registered with SEBI. In case of QIB Applicants, the Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, the Company would have a right to reject the Applications only on technical grounds. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchange, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected.

Investors should note that Equity Shares will be allotted to successful Applicants in dematerialized form only. The Equity Shares on Allotment shall be traded only in the dematerialize segment of the Stock Exchange, as mandated by SEBI. The Application Forms which do not have the details of the Applicant's depository account including DP ID, PAN and Beneficiary Account Number/UPI ID (for RII Applicants using the UPI Mechanism), shall be treated as incomplete and rejected. In case DP ID, Client ID and PAN mentioned in the Application Form and entered into the electronic system of the stock exchanges, do not match with the DP ID, Client ID and PAN available in the depository database, the application is liable to be rejected. Applicants will not have the option of getting allotment of the Equity Shares in physical form. However, the Investors may get the Equity Shares rematerialized subsequent to the allotment.

ELECTRONIC REGISTRATION OF APPLICATIONS

- a) The Designated Intermediary may register the Application using the online facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Fixed Process on a regular basis before the closure of the Issuer.
- b) On the Application/Issuer Closing Date, the Designated Intermediaries may upload the Applications till such time as may be permitted by the Stock Exchange and as disclosed in the Prospectus.

Only Applications that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 p.m. IST on the next Working Day following the Application/Issuer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Application/Issuer Period after which the Stock Exchange send the information to the Registrar to the Issue for further processing.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI ICDR Regulations, all the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

AVAILABILITY OF DRAFT PROSPECTUS, PROSPECTUS AND APPLICATION FORMS

Copies of the Application Form and the Prospectus will be available at the offices of the LM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the

websites of the Stock Exchange(s), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one (1) day prior to the Issue Opening Date.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Prospectus / Prospectus. All the Applicants (other than Anchor Investor and Retail Individual Investor using UPI Payment Mechanism) shall mandatorily participate in the Issue only through the ASBA process for application. ASBA applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form and the Application Forms that do not contain such details are liable to be rejected.

All Applicants must compulsorily use the ASBA process to participate in the Issue, which shall include the UPI Mechanism in the case of UPI Bidders.

ASBA Applicants must provide either (i) the bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts, or (ii) the UPI ID (in case of UPI Bidders using UPI Mechanism), as applicable, in the relevant space provided in the Application Form and the Application Form that does not contain such details are liable to be rejected

Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) shall be required to bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Application Form. Retail Individual Investors submitting their application form to any Designated Intermediaries (other than SCSBs) failed to mention UPI ID are liable to be rejected. Retail Individual Investors may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of the SEBI.

ASBA Applicants shall ensure that the applications are made on Application Forms bearing the stamp of the Designated Intermediary, submitted at the Collection Centres only (except in case of electronic Bid cum Application Forms) and the Bid cum Application Forms not bearing such specified stamp are liable to be rejected.

Since the Issue is made under Phase II, ASBA Bidders may submit the ASBA Form in the manner below:

(i) RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(ii) UPI Bidders using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

(iii) QIBs and NIIs (not using UPI Mechanism) may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB or the Sponsor Banks, as applicable, at the time of submitting the Bid. In order to ensure timely information to investors, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/unblocked. For all the initial public offerings opening on or after September 1, 2022, as specified in SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022, all the ASBA applications in public issues shall be processed only after the application monies are blocked in the investor's bank accounts. Stock Exchanges shall accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked. The ASBA Bidders, including UPI Bidders, shall ensure that they have sufficient balance in their bank accounts to be blocked through ASBA for their respective Bid as the application made by a Bidder shall only be processed after the Bid amount is blocked in the ASBA account of the Bidder. The circular is applicable for all categories of investors viz. Retail Individual Investors, QIBs and Non-Institutional Investors and also for all modes through which the applications are processed.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|--|----------------------------|
| Resident Indians / Eligible NRIs applying on a non-repatriation basis (ASBA) | [●]* |
| Non-Residents and Eligible NRIs applying on a repatriation basis (ASBA) | [●]* |

*Excluding electronic Application Form.

In case of ASBA Forms, Designated Intermediaries shall upload the relevant Application details in the In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges and the Stock Exchanges shall accept the ASBA applications in their electronic bidding system only with a mandatory confirmation on the application monies blocked. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum

Application Forms submitted by UPI Bidders Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For UPI Bidders using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Banks on a continuous basis to enable the Sponsor Banks to initiate a UPI Mandate Request to such UPI Bidders for blocking of funds. The Sponsor Banks shall initiate request for blocking of funds through NPCI to UPI Bidders, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. In accordance with the Exchange Circulars, for all pending UPI Mandate Requests, the Sponsor Banks shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 5:00 pm on the Bid/Issue Closing Date (“Cut-Off Time”). Accordingly, UPI Bidders should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. Further, modification of Bids shall be allowed in parallel during the Bid/Issue Period until the Cut-Off Time. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Banks, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the issuer bank. The Sponsor Banks and the Bankers to the Issue shall provide the audit trail to the LM for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Banks will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Banks will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the LM in the format and within the timelines as specified under the UPI Circulars. Sponsor Banks and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three-way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Issue Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Issue Bidding process.

The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Participation by Promoters, Promoter Group, the LM, associates and affiliates of the LM and the Syndicate Members and the persons related to Promoters, Promoter Group, LM and the Syndicate Members

The LM and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Issue, except in accordance with the applicable law.

The Equity Shares have not been and will not be registered under the U.S Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S Securities Act and referred to in this Draft Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulations S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

For Retails Individual Applicants

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Investors have to ensure that the Application Price does not exceed ₹ 2,00,000.

For Other than Retail Individual Investors (Non-Institutional Investors and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant and Non-Institutional Investor cannot withdraw its Application after the Issue Closing Date and is required to pay 100% Bid Amount upon submission of Bid.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

Participation by associates/affiliates of Lead Manager

The Lead Manager shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Manager may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Category where the allotment is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the LM, shall be treated equally for the purpose of allocation to be made on a proportionate basis

Option to Subscribe to the Issue

Our Company shall allot the specified securities in dematerialised form only. Investors opting for allotment in dematerialised form may get the specified securities rematerialised subsequent to allotment.

The equity shares, on allotment, shall be traded on stock exchange in demat segment only.

A single application from any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines.

Application By HUF

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs will be considered at par with Bids from individuals.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by mutual funds:

Application made by asset management companies or custodians of Mutual Funds shall 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 (1) 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.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be attached with the Application Form. Failing this, our Company reserves the right to reject their Application in whole or in part, in either case, without assigning any reason thereof.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Application by Indian Public including eligible NRIs applying on Non-Repatriation

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors (other than minor having valid depository accounts as per demographic details provided by the depository), Foreign Nationals, Non Residents (except for those applying on non-repatriation), trusts (unless the trust is registered under the Societies

Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

Application by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“NRE Account”), or Foreign Currency Non-Resident Accounts (“FCNR Account”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“NRO”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Issue shall be subject to the FEMA regulations. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall 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 shall 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 warrant. Provided that 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. Pursuant to the special resolution dated January 31, 2022 by the Shareholders, the aggregate ceiling of 10% was raised to 24%.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in colour).

For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” on 258 of the Draft Prospectus.

Application by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Issue Equity Share capital on a fully diluted basis. In case the total holding of an FPI, or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI, or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (i.e., up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company in consultation with LM, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Issue to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines, and approvals in terms of Regulation 21 of the SEBI FPI

Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the 'know your client' norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

FPIs which utilise the multi-investment manager structure;

Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;

Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;

FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.

Multiple branches in different jurisdictions of foreign bank registered as FPIs;

Government and Government related investors registered as Category 1 FPIs; and

Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Issue shall be subject to the FEMA Rules.

Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company or the LM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Application by limited liability partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the right to reject their Application without assigning any reason thereof.

Application by Banking Companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "Banking Regulation Act"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Application by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company in consultation with LM, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("IRDA Investment Regulations"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time

Application by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) circulars dated September 13, 2012, and January 2, 2013, issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Application by Systemically Important Non-Banking Financial Companies

In case of Application made by systemically important non-banking financial companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application, without assigning any reason thereof. Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Application under Power of Attorney

In case of Application made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, FPIs, Mutual Funds, Eligible QFIs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with a minimum corpus of ₹ 2,500 Lakhs and pension funds with a minimum corpus of ₹ 2,500 Lakhs (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable must be lodged along with the Application Form.

Failing this, our Company reserves the right to accept or reject their Application in whole or in part, in either case, without assigning any reasons thereof.

Our Company in consultation with the LM, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company in consultation with the LM, may deem fit.

Application by OCBs

In accordance with RBI regulations, OCBs cannot participate in this Issue.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with LM reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Applicants. 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 the Prospectus, when filed. Applicants are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in the Prospectus, when filed.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

Lists of banks that have been notified by SEBI to act as SCSB (Self-Certified Syndicate Banks) for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link.

APPLICATION FORM SHALL BEAR THE STAMP OF THE SYNDICATE MEMBER/SCSBS/REGISTRAR AND SHARE TRANSFER AGENTS/DEPOSITORY PARTICIPANTS/STOCK BROKERS AND IF NOT, THE SAME SHALL BE REJECTED.

Information for Applicants

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the LM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus or the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Who can apply?

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB.

Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

Terms of payment

The entire Issue price of ₹ [●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants. SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs. The Applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment Mechanism

The Applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the bid Amount (Issue price) in the bank account specified in the Application Form. The SCSB shall keep the bid Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the bid Amount. However, Non-Retail Investors shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Bid by the ASBA Bidder, as the case may be.

PROCEDURE FOR UNIFIED PAYMENT INTERFACE (UPI)

In accordance to the SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, to stream line the process of public Issue of Equity Shares and convertibles, Phase II shall become effective from July 01, 2019, thereafter for applications by Retail Individual Investors through intermediaries, where the existing process of investor submitting application form with any intermediaries along with bank account details and movement of such application forms from intermediaries to self-certified Syndicate Banks (SCSBs) for blocking of funds, will be discontinued. For such applications only the UPI mechanism would be permissible mode.

Who can apply through UPI Mode:

Only Retail Individual Investors are allowed to use UPI for the payment in public Issue. Qualified Institutional Buyers and High-Net worth Investors shall continue to apply as per the existing process.

Process

Applications through UPI in IPOs (Public Issue) can be made only through the SCSBs/mobile applications whose name appears on the SEBI website: www.sebi.gov.in.

Blocking of Funds:

Investors shall create UPI ID

Investors shall submit their IPO applications through intermediaries and the investors shall enter UPI ID in the application form

Thereafter, intermediary shall upload the bid details and UPI ID in the electronic bidding system of the Stock Exchange

Stock Exchange shall validate the bid details on the real time basis with depository's records and shall bring the inconsistencies to the notice of intermediaries for rectification and re-submission

Stock Exchange shall share the details including UPI ID with Sponsor Bank, to enable the Sponsor Bank to initiate the request for the blocking of funds

Thereafter the investor shall receive notification and shall confirm the request by entering valid UPI PIN and upon such acceptance of request, funds would get blocked and intimation shall be given to the investor regarding blocking of funds

UNBLOCKING OF FUNDS:

After the Issue close day, the RTA on the basis of bidding and blocking received from stock exchange undertake a reconciliation and shall prepare Basis of Allotment.

Upon approval of such basis, instructions would be sent to the Sponsor Bank to initiate process for credit of funds in the public Issue escrow account and unblocking of excess funds

Based on authorization given by the investor using UPI PIN at the time of blocking of funds, equivalent to the allotment, would be debited

from investors account and excess funds, if any, would be unblocked.

Further, RIIs would continue to have an option to modify or withdraw the bid till the closure of the Issue period. For each such modification of application, RIIs shall submit a revised application and shall receive a mandate request from the Sponsor Bank to be validated as per the process indicated above. Hence, applications made through UPI ID for payment the same shall be revised by using UPI ID only.

REJECTION GROUNDS UNDER UPI PAYMENT MECHANISM

An investor making application using any of channels under UPI Payments Mechanism, shall use only his/ her own bank account or only his/ her own bank account linked UPI ID to make an application in public Issue. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection. Sponsor Bank shall provide the investors UPI linked bank account details to RTA for purpose of reconciliation. RTA shall undertake technical rejection of all applications to reject applications made using third party bank account.

LIST OF BANKS PROVIDING UPI FACILITY

An investor shall ensure that when applying in the IPO using UPI facility, the name of his Bank shall appear in the list of SCSBs as displayed on the SEBI website.

A list of SCSBs and mobile application which are live for applying in public Issue using UPI mechanism is provided on the SEBI Website at the following path:

Home >> Intermediaries/Market Infrastructure Institutions >> Recognised Intermediaries >> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors whose Bank is not live on UPI as on the date of the aforesaid circular, may use the other alternate channels available to them viz. submission of application form with SCSBs or using the facility of linked online trading, demat and bank account (Channel I or II at para 5.1 SEBI circular bearing no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018).

ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary will register the Applications using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Applications are being accepted. The Lead Manager, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary or (iv) Applications accepted and uploaded without blocking funds.

The Designated Intermediary shall be responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the Designated Intermediary, (ii) the Applications uploaded by the Designated Intermediary, (iii) the Applications accepted but not uploaded by the Designated Intermediary and (iv) Applications accepted and uploaded without blocking funds. It shall be presumed that for Applications uploaded by the Designated Intermediary, the full Application Amount has been blocked.

In case of apparent data entry error either by the Designated Intermediary in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange.

The Designated Intermediary will undertake modification of selected fields in the Application details already uploaded within before 1.00 p.m. of the next Working Day from the Issue Closing Date.

The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available with the Designated Intermediary and their authorized agents during the Issue Period. The Designated Branches or the Agents of the Designated Intermediary can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities on a regular basis. On the Issue Closing Date, the Designated Intermediary shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Manager on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation.

At the time of registering each Application submitted by an Applicant, Designated Intermediary shall enter the following details of the investor in the on-line system, as applicable:

- a) Name of the Applicant;
- b) IPO Name;

- c) Application Form number;
- d) Investor Category;
- e) PAN (of First Applicant, if more than one Applicant);
- f) DP ID of the demat account of the Applicant;
- g) Client Identification Number of the demat account of the Applicant;
- h) UPI ID (RIIs applying through UPI Mechanism)
- i) Numbers of Equity Shares Applied for;
- j) Location of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and

Bank account number

In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic Application Form number which shall be system generated.

The Designated intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively. The registration of the Application by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.

Such acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.

In case of QIB Applicants, the Lead Manager has the right to accept the Application or reject it. However, the rejection should be made at the time of receiving the Application and only after assigning a reason for such rejection in writing. In case on Non-Institutional Applicants and Retail Individual Applicants, Applications would be rejected on the technical grounds.

The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Only Applications that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. The Designated Intermediary will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the PAN, DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar will receive this data from the Stock Exchanges and will validate the electronic Application details with depository's records. In case no corresponding record is available with depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such Applications are liable to be rejected.

WITHDRAWAL OF APPLICATIONS

RIIs can withdraw their applications until Issue Closing Date. In case a RII wishes to withdraw the applications during the Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB or Sponsor Bank in the ASBA Account.

The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

SIGNING OF UNDERWRITING AGREEMENT

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriter within sixty days from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013. For further details please refer to the Chapter titled "**General Information**" beginning on page 47 of this Draft Prospectus.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within four days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within four days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent per annum.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Issue is 100% underwritten. The issue is 100% Underwritten. For further details please refer to the Chapter titled “*General Information*” beginning on page 47 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI (ICDR) Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

FILING OF THE DRAFT PROSPECTUS

For filing details, please refer to the Chapter titled “*General Information*” beginning on page 47 of this Draft Prospectus.

PRE-ISSUE ADVERTISEMENT

Subject to Section 30 of the Companies Act, 2013, the Company shall, after filing the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where registered office of the Company is situated.

PRICE DISCOVERY AND ALLOCATION OF EQUITY SHARES

- a) The Issue is being made through the Fixed Price Process where in up to Equity Shares shall be reserved for Market Maker. Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid Application being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- b) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange.
- c) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- d) In terms of SEBI Regulations, Non-Retail Investors shall not be allowed to either withdraw or lower the size of their applications at any stage.
- e) Allotment status details shall be available on the website of the Registrar to the Issue.

ISSUANCE OF ALLOTMENT ADVICE

Upon approval of the Basis of Allotment by the Designated stock exchange, the Registrar shall upload on its website. On the basis of approved basis of allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been allotted Equity Shares in the Issue.

1. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.
2. Issuer will ensure that: (i) the allotment of the equity shares; and (ii) initiate corporate action for credit of shares to the successful applicant's Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.
3. The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under Section 56 of the Companies Act, 2013 or other applicable provisions, if any.

ISSUANCE OF CONFIRMATION ALLOCATION NOTE (“CAN”)

- a) A physical book is prepared by the Registrar on the basis of the Application Forms received from Investors. Based on the physical book and at the discretion of the Company in consultation with the LM, selected Investors will be sent a CAN and if required, a revised CAN.
- b) In the event that the Issue Price is higher than the Investor Allocation Price: Investors will be sent a revised CAN within 1 (one) day of the Pricing Date indicating the number of Equity Shares allocated to such Investor and the pay-in date for payment of the balance amount. Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Investors.
- c) In the event the Issue Price is lower than the Investor Allocation Price: Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

DESIGNATED DATE

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

GENERAL INSTRUCTIONS

Applicants are requested to note the additional instructions provided below.

Do's:

1. Check if you are eligible to apply as per the terms of the Prospectus and under applicable law, rules, regulations, guidelines and approvals; All Applicants should submit their bids through the ASBA process only;
2. Read all the instructions carefully and complete the Application Form;
3. Ensure that the details about the PAN, UPI ID (if applicable), DP ID and Client ID are correct and the Applicants depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
4. Ensure that your Application Form, bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Collection Centre within the prescribed time, except in case of electronic for Retail Individual Investors using UPI mechanism, may submit their ASBA forms with Designated Intermediary and ensure that it contains the stamp of such Designated Intermediary;
5. Ensure that the signature of the First Applicant in case of joint Applications, is included in the Application Forms;
6. If the first applicant is not the ASBA account holder (or the UPI- linked bank account holder as the case may be), ensure that the Application Form is signed by the ASBA account holder (or the UPI- linked bank account holder as the case may be). Ensure that you have mentioned the correct bank account number and UPI ID in the Application Form;
7. All Applicants (other than Anchor Investors and RII using UPI Mechanism) should apply through the ASBA process only. RII not using UPI mechanism, should submit their application form directly with SCSB's and not with any designated intermediary.
8. With respect to Applications by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Application;
9. Ensure that you request for and receive a stamped acknowledgement of your Application;
10. Ensure that you have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;
11. Instruct your respective banks to not release the funds blocked in the ASBA Account under the ASBA process. Retail Individual Investors using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner.
12. Submit revised Applications to the same Designated Intermediary, as applicable, through whom the original Application was placed and obtain a revised TRS;
13. Except for Applications (i) on behalf of the central or state governments and the officials appointed by the courts, who, in terms of SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market and (ii) Applications by persons resident in the state of Sikkim, who, in terms of SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Applicants should mention their PAN allotted under the IT Act. The

exemption for the central or the state government and officials appointed by the courts and for Applicants residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same. All other applications in which PAN is not mentioned will be rejected.

14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that thumb impressions and signatures other than in the languages specified in the eighth schedule to the Constitution of India are attested by a magistrate or a notary public or a special executive magistrate under official seal;
16. Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names;
17. Ensure that the category and sub-category under which the Application is being submitted is clearly specified in the Application Form;
18. Ensure that in case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. If you are resident outside India, ensure that Applications by you are in compliance with applicable foreign and Indian laws;
20. Since the allotment will be in dematerialised form only, Applicants should note that in case the DP ID, the Client ID, UPI ID (where applicable) and the PAN mentioned in the Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, match with the DP ID, Client ID (where applicable) and PAN available in the Depository database otherwise liable to be rejected; Where the Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;
21. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
22. Ensure that you have correctly signed the authorization /undertaking box in 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 Amount mentioned in the Application Form at the time of submission of the Application;
23. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Further, Retail Individual Investors using the UPI Mechanism must also mention their UPI ID and shall use only his/her own bank account which is linked to his/her UPI ID;
24. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
25. Retail Individual Investors Bidding using the UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Retail Individual Investors shall ensure that the name of the app and the UPI handle which is used for making the application appears on the list displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
26. Applicants, other than Retail Individual Investors using the UPI Mechanism, shall ensure that they have funds equal to the Application Amount in the ASBA Account maintained with the SCSB before submitting the Application Form to the relevant Designated Intermediaries;
27. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Application Form and that the name of the Applicant, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database;
28. In case of ASBA Applicants (other than Retail Individual Investors using UPI Mechanism), ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where

the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);

29. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
30. Once the Sponsor Bank Issues the UPI Mandate Request, the Retail Individual Investors would be required to proceed to authorise the blocking of funds by confirming or accepting the UPI Mandate Request;
31. Ensure that you have correctly signed the authorisation/undertaking box in the Application Form, or have otherwise provided an authorisation to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form at the time of submission of the Application;
32. Retail Individual Investors who wish to revise their applications using the UPI Mechanism, should submit the revised Application with the Designated Intermediaries, pursuant to which Retail Individual Investors should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Application Amount in the Retail Individual Investors ASBA Account.
33. Retail Individual Investors using the UPI Mechanism shall ensure that details of the Application are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor in the UPI Mandate Request and have agreed to block the entire Application Amount and authorized the Sponsor Bank to block the Application Amount specified in the Application Form;
34. Retail Individual Investors applied using the UPI Mechanism should mention valid UPI ID of only the applicant (in case of single account) and of the first applicant (in case of joint account) in the Application Form;
35. Retail Individual Investors using the UPI Mechanism who have revised their applications subsequent to making the initial Application should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorize blocking of funds equivalent to the revised Application Amount and subsequent debit of funds in case of Allotment in a timely manner;
36. Ensure that the Application Forms are delivered by the Applicants within the time prescribed as per the Application Form and the Prospectus;
37. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form;
38. Retail Individual Investors shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Issue Closing Date.
39. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

Don'ts:

1. Do not apply for lower than the minimum Application size;
2. Do not apply at a Price different from the Price mentioned herein or in the Application Form;
3. Do not pay the Application Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest or any mode other than blocked amounts in the bank account maintained with SCSB;
4. Do not apply by another Application Form after submission of Application to the Designated Intermediary.
5. Do not submit the Application Forms with the Banker(s) to the Issue (assuming that such bank is not a SCSB), our Company, the LM or the Registrar to the Issue (assuming that the Registrar to the Issue is not one of the RTAs) or any non-SCSB bank;
6. Do not apply on an Application Form that does not have the stamp of the Designated Intermediary;
7. Do not submit the Application Forms to any non-SCSB bank or our Company;
8. Do not apply on a physical Application Form that does not have the stamp of the relevant Designated Intermediary;

9. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
10. If you are a Retail Individual Investor and are using UPI Mechanism, do not submit more than one Application Form for each UPI ID;
11. Do not submit the Application Forms to any Designated Intermediary that is not authorised to collect the relevant Application Forms or to our Company;
12. If you are a Retail Individual Applicant, do not apply for an exceeding ₹ 200,000;
13. Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Prospectus;
14. Do not submit the General Index Register number instead of the PAN;
15. As an ASBA Applicant, do not submit the Application without ensuring that funds equivalent to the entire Application Amount are available to be blocked in the relevant ASBA Account and as in the case of Retail Individual Investors using the UPI Mechanism shall ensure that funds equivalent to the entire application amount are available in the UPI linked bank account where funds for making the bids are available.
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
17. If you are a Retail Individual Investor and are using UPI Mechanism, do not make the ASBA application using third party bank account or using third party linked bank account UPI ID;
18. Do not submit Applications on plain paper or on incomplete or illegible Application Forms or on Application Forms in a colour prescribed for another category of Applicant;
19. If you are a QIB, do not submit your Application after 3.00 pm on the Issue Closing Date for QIBs;
20. If you are a Non-Institutional Applicant or Retail Individual Applicant, do not submit your Application after 3.00 pm on the Issue Closing Date;
21. Do not submit an Application in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
22. Do not submit an Application if you are not competent to contract under the Indian Contract Act, 1872, (other than minors having valid depository accounts as per Demographic Details provided by the Depositories);
23. Do not withdraw your application or lower the size of your application (in terms of quantity of the Equity Shares or the Application Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors can revise their applications during the Issue Period and withdraw their Applicants on or before the Issue Closing Date;
24. Do not apply for shares more than specified by respective Stock Exchanges for each category;
25. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Applications submitted by Retail Individual Investor using the UPI mechanism;
26. If you are a QIB or a Non-Institutional Applicant, do not withdraw your Application or lower the size of your Application (in terms of quantity of the Equity Shares or the Application Amount) at any stage;
27. Do not apply if you are an OCB.
28. Do not submit incorrect UPI ID details, if you are a Retail Individual Investors applying through UPI Mechanism;
29. Do not submit ASBA Forms at a location other than the Specified Locations or to the brokers other than the Registered Brokers at a location other than the Broker Centres; and
30. Do not submit ASBA Forms to a Designated Intermediary at a Collection Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one (1) branch in the relevant Collection Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>). The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

31. Do not submit a Bid cum Application Form with third party UPI ID or using a third-party bank account (in case of Bids submitted by Retail Individual Investors using the UPI Mechanism)

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for completing the Application Form

The Applications should be submitted on the prescribed Application Form and in **BLOCK LETTERS** in **ENGLISH** only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application forms submitted to the SCSBs should bear the stamp of respective intermediaries to whom the application form submitted. Application form submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch. Application forms submitted by Applicants whose beneficiary account is inactive shall be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit application forms in public Issue using the stock broker (“broker”) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of Stock Exchange.

Applicant’s Depository Account and Bank Details

Please note that, providing bank account details in the space provided in the Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant’s name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant’s bank account details, MICR code and occupation (hereinafter referred to as ‘Demographic Details’). These Bank Account details would be used for giving refunds to the Applicants. Hence, Applicants are advised to immediately update their Bank Account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at the Applicants’ sole risk and neither the Lead Manager nor the Registrar to the Issue or the Escrow Collection Banks or the SCSB nor the Company shall have any responsibility and undertake any liability for the same. Hence, Applicants should carefully fill in their Depository Account details in the Application Form. These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice and printing of Bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue. By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

GROUND FOR TECHNICAL REJECTIONS

Applicants are requested to note that Application may be rejected on the following additional technical grounds.

Amount paid does not tally with the amount payable for the highest value of Equity Shares applied for;

In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

Application by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- a) PAN not mentioned in the Application Form;
- b) GIR number furnished instead of PAN;
- c) Applications for lower number of Equity Shares than specified for that category of investors;
- d) Applications at a price other than the Fixed Price of the Issue;
- e) Applications for number of Equity Shares which are not in multiples as stated in the chapter titled “Issue Structure”;
- f) Category not ticked;
- g) Multiple Applications as defined in the Prospectus;
- h) In case of Application under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- i) Applications accompanied by Stock invest/ money order/ postal order/ cash;

- j) Signature of the First Applicant or sole Applicant is missing;
- k) Application Forms are not delivered by the Applicant within the time prescribed as per the Application Forms, Issue Opening Date advertisement and the Prospectus and as per the instructions in the Prospectus and the Application Forms;
- l) In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- m) Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- n) Applications by OCBs;
- o) Applications by US persons other than in reliance on Regulations or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- p) Applications not duly signed;
- q) Applications by any persons outside India if not in compliance with applicable foreign and Indian laws;
- r) Applications by any person that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- s) Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- t) Applications by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals;
- u) Applications or revisions thereof by QIB Applicants, Non-Institutional Applicants where the Application Amount is in excess of ₹ 2,00,000, received after 3.00 pm on the Issue Closing Date;
- v) Applications not containing the details of Bank Account and/or Depositories Account.
- w) Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application
- x) Application submitted without instruction to the SCSBs to block the entire Application Amount;
- y) Form at the time of blocking such Application Amount in the bank account;
- z) Where no confirmation is received from SCSB for blocking of funds;
- aa) Applications by Applicants not submitted through ASBA process;
- bb) Applications not uploaded on the terminals of the Stock Exchanges;
- cc) Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form;
- dd) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Application Form
- ee) Submission of Application Form(s) using third party ASBA Bank Account

Submission of more than one Application Form per UPI ID by RIIs applying through Designated Intermediaries

In case of Applications by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Application Form is linked to a third-party bank account;

The UPI Mandate is not approved by Retail Individual Investor; and

The original Application is made using the UPI mechanism and revision(s) to the Application is made using ASBA either physically or online through the SCSB, and vice versa

EQUITY SHARES IN DEMATERIALIZED FORM WITH NSDL AND CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent.

- a) A tripartite agreement dated December 22, 2022 with NSDL, our Company and Registrar to the Issue;
- b) A tripartite agreement dated March 31, 2022 with CDSL, our Company and Registrar to the Issue;

The Company's shares bear an ISIN No: INE007401018

- a) An applicant applying for Equity Shares in demat form must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the application.
- b) The applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Application Form or Revision Form.
- c) Equity Shares allotted to a successful applicant will be credited in electronic form directly to the Applicant's beneficiary account (with the Depository Participant).
- d) Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e) If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- f) The Applicant is responsible for the correctness of his or her demographic details given in the Application Form vis-à-vis those with their Depository Participant.
- g) It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- h) The trading of the Equity Shares of our Company would be only in dematerialized form.

COMMUNICATIONS

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Banker to the Issue where the Application was submitted and a copy of the acknowledgement slip.

Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Issue in case of any Pre-Issue or Post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

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| IBL FINANCE LIMITED Shop-151, Silver Stone Arcade, Nr. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Si nganpore NA Causway Road, Surat - 395004, Gujarat, India Tel No: 9828116900 Email: compliance@iblfinance.in Website: https://iblfinance.in/ | BIGSHARE SERVICES PRIVATE LIMITED Office No. S6-2 6 th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri East, Mumbai – 400093, Maharashtra, India Tel No.: +91-022-6263 8200 Fax no: +91 -022 6263 8299 Contact Person: Babu Rapheal Email: ipo@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email: investor@bigshareonline.com SEBI Registration No: INR000001385 |
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Disposal of Applications

With respect to Investors, our Company shall ensure dispatch of Allotment Advice, refund orders (except for applicants who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account of Depository Participants of the Applicants and submit the documents pertaining to the Allocation to the Stock Exchange(s) on the Investor Bidding Date. In case of Applicants who receive refunds through NECS, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 6 Working Days from the Bid/Issue Closing Date.

IMPERSONATION

Attention of the Applicant is specifically drawn to the provisions of Sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- a. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b. 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 shall be liable for action under Section 447”.

Section 447 of Companies Act, 2013 deals with ‘Fraud’ and prescribed a punishment of “imprisonment for a term which shall not be less than 6 (six) months but which may extend to 10 (ten) years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (three) times the amount involved in the fraud”.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the Lead Manager and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the Stock Exchange. In the event of over subscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e., the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e., Total number of Shares applied for into the inverse of the over subscription ratio).
3. For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 - a. Each successful applicant shall be allotted [●] equity shares; and
 - b. The successful applicants out of the total applicants for that category shall be determined by the draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
4. If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
5. If the Shares allocated on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of [●] equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Prospectus.
6. Since present issue is a fixed price issue, the allocation in the net Issue to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:
 - a. A minimum of 50% of the net Issue of shares to the Public shall initially be made available for allotment to retail individual investors as the case may be.
 - b. The balance net Issue of shares to the public shall be made available for allotment to a) individual applicants other than retails individual investors and b) other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 - c. The unsubscribed portion of the net to any one of the categories specified in (a) or (b) shall/may be made available for allocation to applicants in the other category, if so required.

If the retail individual investor is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.

Please note that the Allotment to each Retail Individual Investor shall not be less than the minimum application lot, subject to availability of Equity Shares in the Retail portion. The remaining available Equity Shares, if any in Retail portion shall be allotted on a proportionate basis to Retail individual Investor in the manner in this para titled “*Basis of Allotment*” of this Draft Prospectus.

'Retail Individual Investor' means an investor who applies for shares of value of not more than ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with the Stock Exchange.

Allotment Advertisement

Our Company, the LM and the Registrar shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in [●] editions of a widely circulated English national daily newspaper, [●], [●] editions of a widely circulated Hindi national daily newspaper, and [●] editions of [●], Gujarat daily newspaper, Gujarati being regional language of Gujarat.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

Tripartite agreement dated December 22, 2022 amongst our Company, NSDL and Registrar to the Issue.

Tripartite agreement dated March 31, 2023 amongst our Company, CDSL and Registrar to the Issue.

BASIS OF ALLOTMENT IN THE EVENT OF UNDER SUBSCRIPTION

In the event of under subscription in the Issue, the obligations of the Underwriters shall get triggered in terms of the Underwriting Agreement. The Minimum subscription of 100% of the Issue size as specified shall be achieved before our company proceeds to get the basis of allotment approved by the Designated Stock Exchange.

The Executive Director/Managing Director of the Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2018.

As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non-Residents, NRIs, FPIs and foreign venture capital funds and all Non-Residents, NRI, FPI and Foreign Venture Capital Funds applicants will be treated on the same basis with other categories for the purpose of allocation.

AT PAR FACILITY

Letters of Allotment or refund orders or instructions to Self-Certified Syndicate Banks in Application Supported by Blocked Amount process. The issuer shall ensure that "at par" facility is provided for encashment of refund orders for applications other than Application Supported by Blocked Amount process.

GROUND FOR REFUND

Non-Receipt of Listing Permission

An Issuer makes an Application to the Stock Exchange for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchange from where such permission is sought are disclosed in this Draft Prospectus. The designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalised.

If the permission to deal in and official quotation of the Equity Shares are not granted by Stock Exchange, the Issuer may forthwith repay, without interest, all money received from the Applicants in pursuance of this Draft Prospectus.

In the event that the listing of the Equity Shares does not occur in the manner described in this Draft Prospectus, the Lead Manager and Registrar to the Issue shall intimate Public Issue bank / Bankers to the Issue and Public Issue Bank/Bankers to the Issue shall transfer the funds from Public Issue account to Refund Account as per the written instruction from lead Manager and the Registrar for further payment to the beneficiary Applicants.

If such money is not repaid within Four days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of the Companies Act, and as disclosed in this Draft Prospectus.

Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. As per section 39 of the Companies Act, 2013, if the "Stated Minimum Amount" has not been subscribed and the sum payable on application money has to be returned within such period of 30 days from the date of the Draft Prospectus, the application money has to be returned within such period as may be prescribed. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of underwriters

within Sixty Days from the date of closure of the Issue, the Issuer shall Forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the Issuer become liable to pay the amount, the Issuer shall pay interest prescribed under section 73 of the Companies Act, 1956 (or the Company shall follow any other substitutional or additional provisions as has been or may be notified under the Companies Act, 2013).

Minimum Number of Allottees

The Issuer may ensure that the number of Allottees to whom Equity Shares may be allotted may not be less than fifty (50), failing which the entire application monies may be refunded forthwith.

MODE OF REFUNDS

- a) **In case of ASBA Bids:** Within Four (4) Working Days of the Bid / Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid, for any excess amount blocked on Application, for any ASBA Bids withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.
- b) In the case of Applicant from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- c) **In case of Investors:** Within Four (4) Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Issue may obtain from the depositories, the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

- (i) **NECS** - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder as obtained from the Depository;
- (ii) **NEFT** - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (iii) **Direct Credit** - Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;
- (iv) **RTGS** - Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the bidder, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicant's account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLM or the Registrar to the Issue or the Escrow Collection Banks nor the Company shall have any responsibility and undertake any liability for the same; and
- (v) Please note that refunds, on account of our Company not receiving the minimum subscription of 100% of the Issue, shall be credited only to the bank account from which the Applicant Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Applicants may refer to this Draft Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The issuer shall allot securities offered to the public shall be made within the period prescribed by the Board. The issuer shall also pay interest at the rate of fifteen per cent. per annum (15% p.a.) if the allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner within eight days from the date of the closure of the issue. However, applications received after the closure of issue in fulfilment of underwriting obligations to meet the minimum subscription requirement, shall not be entitled for the said interest.

COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchange are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instruction for credit of Equity Shares to the beneficiary account with DPs, and dispatch the allotment Advise within 4 Working Days of the Issue Closing Date.

UNDERTAKING BY OUR COMPANY

Our Company undertakes the following:

1. That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;
2. That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (Six) working days of closure of the Issue;
3. that funds required for making refunds / unblocking to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
4. that the instruction for electronic credit of Equity Shares/ refund orders/intimation about the refund to non-resident Indians shall be completed within specified time; and
5. that Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received
6. The Equity Shares proposed to be issued by it in the Issue shall be allotted and credited to the successful applicants within the specified time in accordance with the instruction of the Registrar to the Issue;
7. that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Applicants at the rate prescribed under applicable law for the delayed period;
8. that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;
9. that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
10. that no further Issue of Equity Shares shall be made till the Equity Shares offered through this Draft Prospectus are listed or until the Application monies are refunded on account of non-listing, under subscription etc.
11. That adequate arrangements shall be made to collect all Applications Supported by Blocked Amount and to consider them similar to non-ASBA applications while finalizing the basis of Allotment; and
12. That if our Company does not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice which will be issued by our Company within two (2) days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the Issue advertisements were published. Stock Exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
13. that if our Company, in consultation with the LM, withdraw the Issue at any stage, including after the Bid/Issue Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company subsequently decides to proceed with the Issue thereafter

14. That if our Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh Draft Prospectus with Stock Exchange/ RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
15. That it shall comply with such disclosure and account norms specified by SEBI from time to time

Utilization of Issue Proceeds

Our Board certifies that:

- a) All monies received out of the Fresh Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act; 2013
- b) Details of all monies utilized out of the Fresh Issue shall be disclosed and continue to be disclosed till any part of the Fresh Issue proceeds remains unutilized under an appropriate separate head in the Company's balance sheet indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested. Our Company confirms and declares that all monies received out of the Fresh Issue shall be transferred to a separate bank account other than the bank account referred to in sub section 3 of Section 40 of the Companies Act, 2013
- d) Our Company shall comply with the requirements of the SEBI Listing Regulations in relation to the disclosure and monitoring of the utilisation of the proceeds of the Fresh Issue.
- e) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchange where listing is sought has been received.
- f) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactory.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below: "Any person who – (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) 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 (c) 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 ₹10.00 lakhs or one per cent 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 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹50.00 lakhs or with both.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (“DPIIT”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DPIIT also issues the Consolidated Foreign Direct Investment Policy (“FDI Policy”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DPIIT with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT till October 15, 2020. All the press notes, press releases, clarifications on FDI issued by DPIIT till October 15, 2020 stand rescinded as on October 15, 2020. In terms of the FDI Policy, Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the Government route, depending upon the sector in which foreign investment is sought to be made. In terms of the FDI Policy, the work of granting government approval for foreign investment under the FDI Policy and FEMA Regulations has now been entrusted to the concerned Administrative Ministries/Departments.

The FDI Policy issued by the DPIIT permits foreign investment upto 100% of paid-up equity share capital of non-banking financial companies under the automatic route subject to compliance of certain conditions mentioned in the FDI Policy. The Company will be required to make certain filings with the RBI after the completion of the Issue.

In accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the FDI Policy and the Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Further, the existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% of the total paid-up Equity Share capital of our Company for each FPI and the total holdings of all FPIs in the Company shall not exceed 24% of the total paid-up Equity Share capital of our Company. The RBI, in exercise of its power under the FEMA, has also notified Foreign Exchange Management (Non-debt Instruments) Rules, 2019 (“Rules”) and Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. SEBI registered FPIs have been permitted to purchase shares of an Indian company through the Issue, subject to total FPI investment being within the individual FPI/sub account investment limit of less than 10% of the total paid-up equity capital on a fully diluted basis of the Company subject to the total holdings of all FPIs/sub accounts including any other direct and indirect foreign investments in the Company shall not exceed 24% of the paid-up equity capital of the Company on a fully diluted basis. The aggregate limit of 24% in case of FPIs may be increased up to the sectoral cap/statutory ceiling, as applicable, by the Company concerned by passing of resolution by the Board of the Company to that effect and by passing of a special resolution to that effect by its Shareholders.

With effect from April 1, 2020, the aggregate limit of 24% has increased to the sectoral cap applicable to the Indian Company which in case of the Company is 100% provided that the Company complies with conditions provided under the FDI Policy. As per the Rules, the aggregate limit as provided above was permitted to be decreased by the Company to a lower threshold limit of 24% or 49% or 74% as deemed fit, with the approval of its Board of Directors through a resolution and also of its shareholders by means of a special resolution, before March 31, 2020. The Company has not passed such Board Resolution and hence, has not revised its sectoral caps. Further, eligible NRIs and OCIs investing on repatriation basis are subject to individual investment limit of 5% of the total paid-up equity capital on a fully diluted basis subject to the aggregate paid-value of the shares purchased by all NRIs and OCIs put together on repatriation basis not exceeding 10% of the total paid-up equity capital on a fully diluted basis of the Company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DPIIT/RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (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 the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company.

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

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the Bids are not in violation of laws or regulations applicable to them.

For further details, see chapter titled "*Issue Procedure*" beginning on page 231 of this Draft Prospectus.

SECTION IX – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

THE COMPANIES ACT, 2013
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

*IBL FINANCE LIMITED

Table F not to apply - The regulations contained in Table F, in the first Schedule, to the Companies Act, 2013 shall not apply to this Company, but the regulations for the management of the Company and for the observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company in reference to the repeal or alternation of, or addition to, its regulations by Special Resolution, as prescribed by the said Companies Act, 2013 be such as are contained in these Articles.

Interpretation - In the interpretation of these Articles, the following words and expressions shall have the following meanings assigned thereunder, unless repugnant to the subject matter or content thereof.

(a) “The Act” or “the said Act”

“The Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof for the time being in force.

(b) “These Articles”

“These Articles” means Articles of Association for the time being of the Company or the Articles of Association as altered from time to time by special resolution.

(c) “Beneficial Owner”

“Beneficial Owner” shall have the meaning assigned thereto in clause(a) of sub-section (1) of Section 2 of the Depositories Act, 1996.

(d) “The Company” or “this Company”

“The Company” or “this Company” means * IBL FINANCE LIMITED

**The word ‘Private’ is deleted consequent upon conversion vide special resolution passed at Extra Ordinary General Meeting held on 27.04.2023*

(e) “The Directors”

“The Directors” means the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.

(f) “Depository”

“Depository” shall have the meaning assigned thereto by Section 2 (1)(e) of the Depositories Act, 1996.

(g) “Depositories Act 1996”

“Depositories Act 1996” includes any statutory modification or re- enactment thereof.

(h) “The Board” or the “Board of Directors”

“The Board,” or the “Board of Directors” means a meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with the Act.

(i) “The Chairman”

“The Chairman” means the Chairman of the Board of Directors for the time being of the Company.

(j) “The Managing Director”

“The Managing Director” includes one or more persons appointed as such or any of such persons or Directors for the time being of the Company who may for the time being be the Managing Director of the Company.

(k) “The Office”

“The Office” means the Registered Office for the time being of the Company.

(l) “Capital”

“Capital” means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

(m) “The Registrar”

“The Registrar” means the Registrar of Companies of the State in which the office of the Company is for the time being situated.

(n) “Dividend”

“Dividend” includes Bonus.

(o) “Month”

“Month” means the calendar month.

(p) “Seal”

“Seal” means the Common Seal for the time being of the Company.

(q) “In Writing and Written”

“In Writing and Written” include printing, lithography and other modes of representing or reproducing words in a visible form.

(r) “Plural Number”

Words importing the singular number also include the plural number and vice versa.

(s) “Persons”

“Persons” include corporations and firms as well as individuals.

(t) “Gender”

Words importing the masculine gender also include the feminine gender.

(u) “Securities & Exchange Board of India”

“Securities & Exchange Board of India” or SEBI means the Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.

(v) “Year and Financial Year”

“Year” means the Calendar year and “Financial Year” shall have the meaning assigned thereto by Section 2(41) of the Act.

Expression in the Act to bear same meaning in the Articles

Save as aforesaid, any words or expressions defined in the Act shall, except where the subject or context forbids, bear the same meaning in these Articles.

Marginal Notes - The marginal notes hereto shall not affect the construction of these Articles.

COPIES OF MEMORANDUM AND ARTICLES TO BE FURNISHED BY THE COMPANY

Pursuant to Section 17 of the Act, Company shall, on being so required by a member, send to him within 7 (seven) days of the requirement and subject to the payment of a fee of ₹ 100/- or such other fee as may be specified in the Rules, a copy of each of the following documents, as in force for the time being:

(i) The Memorandum;

(ii) The Articles, if any;

(iii) Every other agreement and every resolution referred to in Section 117(1), of the Act, if and in so far as they have not been embodied in the Memorandum or Articles.

CAPITAL AND SHARES

The Authorized Share Capital of the Company is as per clause V of the Memorandum of Association of the Company with all rights to the company to alter the same in any way it thinks fit.

The Board may, from time to time, with the sanction of the Company in a general meeting, increase the share capital by such sum to be divided into shares of such amounts as the resolution shall prescribe.

The shares capital shall be distinguished by its appropriate number provided that nothing in this clause shall apply to the shares held with a depository.

SHARES AT THE DISPOSAL OF THE DIRECTORS

Subject to the provisions of Section 62 of the Act and these Articles, the shares capital of Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

FURTHER ISSUE OF SHARES

(1) Where at any time the company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered

(a) to persons who at the date of the offer are holders of equity shares of the company in proportion, as nearly as circumstances admit to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: -

(i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(ii) unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right;

(iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose them of in such manner which is not disadvantageous to the shareholders and the company;

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be determined by Central Government; or

(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be determined by central government.

(2) The notice referred to in sub-clause (i) of clause (1) (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.

(3) Nothing in this section shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company.

The terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

POWER TO OFFER SHARES/OPTIONS TO ACQUIRE SHARES

(i) Without prejudice to the generality of the powers of the Board under any other Article of these

Articles of Association, the Board or any Committee thereof duly constituted may, subject to the applicable provisions of the Act, rules notified there under and any other applicable laws, rules and regulations, at any point of time, offer existing or further Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares (consequent to increase of share capital) of the Company, or options to acquire such Shares at any point of time, whether such options are granted by way of warrants or in any other manner (subject to such consents and permissions as may be required) to its employees, including Directors (whether whole-time or not), whether at par, at discount, in case of shares issued as sweat equity shares as per section 54 of the Act or at a premium, for cash or for consideration other than cash, or any combination thereof as may be permitted by law for the time being in force.

In addition to the powers of the Board under Article 9(i), the Board may also allot the Shares referred to in Article 9(i) to any trust, whose principal objects would inter alia include further transferring such Shares to the Company's employees including by way of options, as referred to in Article 9(i) in accordance with the directions of the Board or any Committee thereof duly constituted for this purpose. The Board may make such provision of moneys for the purposes of such trust, as it deems fit.

The Board, or any Committee thereof duly authorized for this purpose, may do all such acts, deeds, things, etc. as may be necessary or expedient for the purposes of achieving the objectives set out in Articles 9(i) and (ii) above.

REDEEMABLE PREFERENCE SHARES

Subject to the provisions of Section 55 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company, are liable to be redeemed and the resolution authorizing such issues shall prescribe the manners, terms and conditions of redemption.

PROVISIONS APPLICABLE IN CASE OF REDEEMABLE SHARES

On the issue of redeemable preference shares under the provisions of Article 10 hereof, the following provisions shall take effect.

- (a) No such shares shall be redeemed except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) where such shares are proposed to be redeemed out of the profits of the company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account and the provisions of this Act relating to reduction of share capital of a company shall apply as if the Capital Redemption Reserve Account were paid-up share capital of the company.

NEW CAPITAL SAME AS ORIGINAL CAPITAL

Except so far as otherwise provided by the conditions of issue or by these Articles any capital raised by the creation of new shares shall be considered part of the initial capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments; transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

RESTRICTIONS ON PURCHASE BY COMPANY OR GIVING OF LOANS BY IT FOR PURCHASE OF ITS SHARES

(1) The company shall not have power to buy its own shares unless the consequent reduction of share capital is effected in accordance with provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act as applicable at the time of application.

This Article is not to delegate any power which the Company would have if it were omitted.

(2) The company shall not give, whether directly or indirectly and whether by means of a loan, guarantee the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person or for any shares in the company or in its holding company.

(3) Nothing in sub-clause (2) shall apply to –

- (a) the company in accordance with any scheme approved by company through special resolution and in accordance with such requirements as may be determined by Central Government, for the purchase of, or subscription for, fully paid up shares in the company or its holding company, if the purchase of, or the subscription for, the shares held by trustees for the benefit of the employees or such shares held by the employee of the company;
- (b) the giving of loans by a company to persons in the employment of the company other than its directors or key managerial personnel, for an amount not exceeding their salary or wages for a period of six months with a view to enabling them to purchase or subscribe for fully paid-up shares in the company or its holding company to be held by them by way of beneficial ownership:

Provided that disclosures in respect of voting rights not exercised directly by the employees in respect of shares to which the scheme relates shall be made in the Board's report in such manner as may be determined by Central Government.

REDUCTION OF CAPITAL

The Company may, subject to the provisions of the Companies Act, 2013 or other applicable provisions (if any) of the Act, as applicable at the time of application from time to time by special resolution, reduce its capital and any capital redemption reserve account or any share premium account in any manner for the time being authorized by law and in particular, capital may be paid off on the footing that it may be called up again or otherwise.

CONSOLIDATION AND DIVISION OF CAPITAL

The Company may in general meeting alter the conditions of its Memorandum of Association as follows:

- (a) Consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares but no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;
- (b) Sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the memorandum, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
- (c) Cancel shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled. The cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.

SALE OF FRACTIONAL SHARES

If and whenever as a result of issue of new shares of any consolidation or sub-division of shares any share become held by members in fractions, the Board shall, subject to the provisions of the Act and the Articles and to the directions of the Company in General Meeting, if any, sell those shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportions the net proceeds of the sale thereof. For the purpose of giving effect to any such sale, the Board may authorise any person to transfer the shares and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale.

MODIFICATION OF RIGHTS

Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into classes of shares all or any of the rights and privileges attached to each class may subject to the provisions of the Companies Act, 2013 be modified, commuted, affected or abrogated, or dealt with by Agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a Special Resolution passed at a separate general meeting of the holders of shares of the class

ISSUE OF FURTHER SHARES ON PARI PASSU BASIS

The rights conferred upon the holders of shares of any class issued with preferred or other rights, not unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

NO ISSUE WITH DISPROPORTIONATE RIGHTS

The Company shall not issue any shares (not being preference shares) which carry voting right or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attached to the holders of other shares (not being preference shares).

POWER OF COMPANY TO DEMATERIALIZE AND REMATERIALIZE

- (a) “Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing shares, debentures and other securities and rematerialize its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialized form pursuant to the Depositories Act, 1996 and the Rules framed there under if any”

DEMATERIALIZATION OF SECURITIES

- (b) Either on the Company or on the investor exercising an option to hold his securities with a depository in a dematerialized form, the Company shall enter into an agreement with the depository to enable the investor to dematerialize the Securities, in which event the rights and obligations of the parties concerned shall be governed by the Depositories Act.

INTIMATION TO DEPOSITORY

- (c) “Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities to Depository immediately on allotment of such Securities”

OPTION FOR INVESTORS

(d) “Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.”

THE COMPANY TO RECOGNIZE UNDER DEPOSITORIES ACT, INTEREST IN THE SECURITIES OTHER THAN THAT OF REGISTERED HOLDER

(e) “The Company or the investor may exercise an option to issue, deal in, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialized in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.”

SECURITIES IN DEPOSITORIES AND BENEFICIAL OWNERS

(f) “All Securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.”

RIGHTS OF DEPOSITORIES AND BENEFICIAL OWNERS

(g) (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(ii) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(iii) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

DEPOSITORY TO FURNISH INFORMATION

(h) Every Depository shall furnish to the Company information about the transfer of Securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

SHARES AND CERTIFICATES

REGISTER AND INDEX OF MEMBERS

The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Sections 88 and other applicable provisions of the Act and the Depositories Act, 1996 with details of shares held in physical and dematerialized forms in any media as may be permitted by law including in any form of electronic media.

The Register and Index of beneficial owners maintained by a Depository under Section 11 of the Depositories Act, 1996 shall also be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or country.

SHARES TO BE NUMBERED PROGRESSIVELY

The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned, no share shall be sub-divided.

DIRECTORS MAY ALLOT SHARES FULLY PAID-UP

Subject to the provisions of the Act and of these Articles, the Board may allot and issue shares in the capital of the Company as payment or part payment for any property sold or transferred, goods or machinery supplied or for services rendered to the company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid up shares.

APPLICATION OF PREMIUM RECEIVED ON SHARES

(1) Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to a “securities premium account” and the provisions of this Act relating to reduction of share capital of a company shall, except as provided in this article, apply as if the securities premium account were the paid-up share capital of the company.

(2) Notwithstanding anything contained in clause (1), the securities premium account may be applied by the company -

- (a) towards the issue of unissued shares of the company to the members of the company as fully paid bonus shares;
- (b) in writing off the preliminary expenses of the company;
- (c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company;
- (d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the company; or
- (e) for the purchase of its own shares or other securities under section 68.

ACCEPTANCE OF SHARES

Subject to the provisions of these Articles, any application signed by or on behalf of an applicant for shares in the Company followed by an allotment of any shares therein, shall be an acceptance of shares within the meaning of these articles and every person who thus or otherwise accept any shares and whose name is on the Register of Members shall, for the purposes of these Articles, be a member, provided that no share shall be applied for or allotted to a minor, insolvent or person of unsound mind.

LIABILITY OF MEMBERS

Every member or his heir, executors or administrators shall pay to the Company the proportion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall, from time to time, in accordance with the Company's regulations require or fix for the payment thereof.

LIMITATION OF TIME FOR ISSUE OF CERTIFICATE

The Company shall, unless the conditions of issue otherwise provide, within three months after the allotment of any of its shares or debentures and within one month after the application for the transfer of any such shares or debentures, complete and have ready for delivery the certificates of all shares and debentures allotted or transferred.

Every member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid up thereon and shall be in such form as the directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate to all such holder.

ISSUE OF NEW CERTIFICATE IN PLACE OF DEFACED, LOST OR DESTROYED

If any certificate be worn out, defaced mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every Certificates under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.20/- for each certificate) as the Directors shall prescribe. Provided that no fees shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf.

The provisions of this Article shall mutatis mutandis apply to debentures of the Company.

RIGHT TO OBTAIN COPIES OF AND INSPECT TRUST DEED

(i) A copy of any Trust Deed for securing any issue of debentures shall be forwarded to the holders of any such debentures or any member of the Company at his request and within seven days of the making thereof on payment not exceeding Rs.10/- (Rupees Ten) per page.

(ii) The Trust Deed referred to in item (i) above also be open to inspection by any member or debenture holder of the Company in the same manner, to the same extent, and on payment of these same fees, as if it were the Register of members of the Company.

JOINT ALLOTTEES OF HOLDERS

Any two or more joint allottees or holders of shares shall, for the purpose of Articles, be treated as a single member and the certificate for any share, which may be the subject of joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

COMPANY NOT BOUND TO RECOGNISE ANY INTEREST IN SHARE OTHER THAN THAT OF REGISTERED HOLDER

(i) The Company shall not be bound to recognize any equitable, contingent, future or partial interest in any share or (except only as is by these presents, otherwise expressly provided) any right in respect of a share other than an absolute right there to, in accordance with these presents in the person from time to time registered as the holder thereof, but the Board shall be at liberty at its sole discretion to register any share in the joint names of two or more persons or survivors of them.

(ii) Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or as by Law required) be bound to recognize any benami trust or equitable, contingent, future, partial or other claim or claims or right to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

WHO MAY HOLD SHARES

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or in the name of a person of unsound mind.

The Directors shall have the power to offer, issue and allot Equity Shares in or Debentures (whether fully/partly convertible or not into Equity Shares) of the Company with or without Equity Warrants to such of the Officers, Employees, Workers of the Company or of its Subsidiary and / or Associate Companies or Managing and Whole Time Directors of the Company (hereinafter in this Article collectively referred to as "the Employees") as may be selected by them or by the trustees of such trust as may be set up for the benefit of the Employees in accordance with the terms and conditions of the Scheme, trust plan or proposal that may be formulated, created, instituted or set up by the Board of Directors or the Committee thereof in that behalf on such terms and conditions as the Board may in its discretion deem fit.

SWEAT EQUITY

Subject to the provisions of the Act (including any statutory modification or re-enactment thereof, for the time being in force), shares of the Company may be issued at a discount or for consideration other than cash to Directors or employees who provide know-how to the Company or create an intellectual property right or other value addition.

DECLARATIONS IN RESPECT OF BENEFICIAL INTEREST IN ANY SHARES

(1) In pursuance of Section 89 of the Act, where the name of a person is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares, such person shall make a declaration (within such time and in such form as may be determined by Central Govt.) to the company specifying the name and other particulars of the person who holds the beneficial interest in such shares.

(2) Every person who holds or acquires a beneficial interest in share of the company shall make a declaration to the company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the company and such other particulars (as may be determined by Central Govt.)

(3) Where any change occurs in the beneficial interest in such shares, the person referred to in clause (1) and the beneficial owner specified in clause (2) shall, within a period of thirty days from the date of such change, make a declaration to the company in such form and containing such particulars (as may be determined by Central Govt.)

(4) The Company has be bound to follows the rules as may be made by the Central Government to provide for the manner of holding and disclosing beneficial interest and beneficial ownership under this section.

(5) Where any declaration under this article is made to a company, the company shall make a note of such declaration in the register concerned and shall file, within thirty days from the date of receipt of declaration by it, a return in the prescribed form with the Registrar in respect of such declaration with such fees or additional fees as may be determined by Central Government, within the time specified under section 403.

(6) No right in relation to any share in respect of which a declaration is required to be made under this article but not made by the beneficial owner, shall be enforceable by him or by any person claiming through him.

(7) Nothing in this article shall be deemed to prejudice the obligation of a company to pay dividend to its members under this Act and the said obligation shall, on such payment, stand discharged.

FUNDS OF COMPANY NOT TO BE APPLIED IN PURCHASE OF SHARES OF THE COMPANY

No funds of the Company shall except as provided by Section 67 of the Act, be employed in the purchase of its own shares, unless the consequent reduction of capital is effected and sanction in pursuance of provisions of the Companies Act, 2013 as may be applicable at the time of application and these Articles or in giving either directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any Share in the Company in its holding Company.

ISSUE OF SHARES WITHOUT VOTING RIGHTS

In the event it is permitted by law to issue shares without voting rights attached to them, the Directors may issue such share upon such terms and conditions and with such rights and privileges annexed thereto as thought fit and as may be permitted by law.

SECTION 45 OF ACT NOT TO APPLY

Notwithstanding anything to the contrary contained in the Articles,

(i) Section 45 of the Act shall not apply to the Shares held with a Depository;

TRUST RECOGNIZED

Except as ordered, by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any Share, or (except only as is by these Articles otherwise expressly provided) any right in respect of a Share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as holder thereof but the Board shall be at liberty at their sole discretion to register any Share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.

Shares may be registered in the name of an incorporated Company or other body corporate but not in the name of a minor or of a person of unsound mind (except in case where they are fully paid) or in the name of any firm or partnership.

REGISTRATION OF CHARGES

The provisions of the Act relating to registration of charges shall be complied with.

In case of a charge created out of India and comprising solely property situated outside India, the provisions of Section 77 of the Act shall also be complied with.

Where a charge is created in India but comprised property outside India, the instrument, creating or purporting to create the charge under Section 77 of the Act or a copy thereof verified in the prescribed manner, may be filed for registration, notwithstanding that further proceedings may be necessary to make the charge valid or effectual according to the law of the country in which the property is situated, as provided by Section 77 of the Act.

Where any charge on any property of the Company required to be registered to be registered under Section 77 of the Act has been so registered, any person acquiring such property or any part thereof or any share or interest therein shall be deemed to have notice of the charge as from the date of such registration.

Any creditors or member of the Company and any other person shall have the right to inspect copies of instruments creating charges and the Company's Register of Charges in accordance with and subject to the provisions of Section 85 of the Act.

UNDERWRITING AND BROKERAGE

COMMISSION MAY BE PAID

The Company may, subject to the provisions of Section 40 and other applicable provisions, if any, of the Act any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures, or partly in the one way and partly in the other subject to maximum of 5% of the share price or 2.5% in case of debenture, of the issued share or debenture price, as the case may be.

BROKERAGE MAY BE PAID

The Company may pay a reasonable sum for brokerage on any issue of shares and debentures.

CALLS ON SHARES

DIRECTORS MAY MAKE CALLS

The Board of Directors may from time to time by a resolution passed at meeting of the Board (and not by circular resolution) make such call as it may think fit upon the members in respect of all moneys unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at a fixed time and each member shall pay the amount of every call so made on him to the persons and at the times and place appointed by the Board of Directors. A call may be made payable by installments.

CALLS ON SHARES OF THE SAME CLASS TO BE MADE ON UNIFORM BASIS

Where any calls for further share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purpose of this Article shares of the same nominal value on which different amounts have been paid up shall not be deemed to fall under the same class.

NOTICE OF CALLS

One month notice at least of every call payable otherwise than on allotment shall be given by the Company specifying the time and place of payment and to whom such call shall be paid.

CALLS TO DATE FROM RESOLUTION

A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed at a meeting of the Board of Directors and may be made payable by the members on the Register of Members on a subsequent date to be fixed by the Board.

DIRECTORS MAY EXTEND TIME

The Board of Directors may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such times as to all or any of the members, who from residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension save as a matter of grace and favour.

CALL TO CARRY INTEREST AFTER DUE DATE

If any member fails to pay a call due from him on the day appointed for payment thereof or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board of Directors, but nothing in this Article shall render it compulsory upon the Board of Directors to demand or recover any interest from any such member.

PROOF ON TRIAL IN SUIT FOR MONEY DUE ON SHARES

Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any debt or money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears, entered on the register of members as the holder at or subsequent to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be received, that the resolution making the call is duly recorded in the minutes book and that notice of such call was duly given to the member or his representatives sued in pursuance of these presents and it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

PAYMENT IN ANTICIPATION OF CALL MAY CARRY INTEREST

The Directors may, if they think fit, subject to the provisions of Section 50 of the Act, agree to and receive from any member willing to advance the same whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding 12% unless the company in general meeting shall otherwise direct, as the member paying such sum in advance and the Directors agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debenture of the Company.

FORFEITURE, SURRENDER AND LIEN

IF CALL OR INSTALLMENT NOT PAID, NOTICE MAY BE GIVEN

If any member fails to pay any call or installment of a call in respect of any shares on or before the day appointed for the payment of the same, the Board may at any time hereafter during such time as the call or installment remains unpaid, serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

FORM OF NOTICE

The notice shall name a day (not being earlier than the expiry of fourteen days from the date of service of the notice) and a place or places on and at which such money, including the call or installment and such interest and expenses as aforesaid is to be paid. The notice shall also state that in the event of non-payment on or before the time and at the place appointed, the shares in respect of which the calls was made or installment was payable, will be liable to be forfeited.

IN DEFAULT TO PAYMENT SHARES TO BE FORFEITED

If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before all the calls or installments and interest and expenses due in respect thereof are paid, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends and bonus declared in respect of the forfeited shares and not actually paid before forfeiture but provided that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

NOTICE OF FORFEITURE

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Members provided however that the failure to give the notice of the shares having been forfeited will not in any way invalidate the forfeiture.

FORFEITED SHARES TO BECOME PROPERTY OF THE COMPANY

Any shares so forfeited shall be deemed to be the property of the Company and the Board may sell, re-allot otherwise dispose of the same in such manner as it thinks fit.

POWER TO ANNUL FORFEITURE

The Board may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof as a matter of grace and favour but not as of right upon such terms and conditions as it may think fit.

ARREARS TO BE PAID NOTWITHSTANDING FORFEITURE

Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of forfeiture until payment at such rate not exceeding fifteen per cent per annum as the Board may determine and the Board may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation so to do.

EFFECT OF FORFEITURE

The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company, in respect of the share and all other rights, incidental to the share except only such of those rights as are by these Articles expressly saved.

PROCEEDS HOW TO BE APPLIED

The net proceeds of any such sale shall be applied in or towards satisfaction of the said debts, liabilities or engagements and the residue (if any) paid to such member, his heirs, executors, administrators or assigns.

DECLARATION OF FORFEITURE

- (a) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or the Secretary of the Company, and that share in the Company has been duly forfeited in accordance with these Articles, on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.
- (b) The Company may receive the consideration, if any, given for the Share on any sale, re-allotment or other disposal thereof any may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.
- (c) The person to whom such Share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the Share.
- (d) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay calls, amounts, installments, interests and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the

dividends, interests or bonuses accrued or which might have accrued upon the Share before the time of completing such purchase or before such allotment.

(e) Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the Shares.

The declaration as mentioned in Article 59 (a) of these Articles shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

TITLE OF PURCHASER AND ALLOTTEE OF FORFEITED SHARES

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and the person to whom such share is sold, re-allotted or disposed off may be registered as the holder of the share. Any such purchaser or allottee shall not (unless by express agreement to the contrary) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment, nor shall he be entitled (unless by express agreement to contrary) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment. Such purchaser or allottee shall not be bound to see to the application of the purchase money, if any; nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the forfeiture, sale, re-allotment or disposal of the share.

PARTIAL PAYMENT NOT TO PRECLUDE FORFEITURE

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as herein provided.

THE PROVISIONS OF THESE ARTICLES AS TO FORFEITURE TO APPLY IN CASE OF NON-PAYMENT OF ANY SUM

The provisions of these Articles as to forfeiture shall apply to the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of the Shares or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

BOARD MAY ACCEPT SURRENDER OF SHARES

The Board may at any time, subject to the provisions of the Act, accept the surrender of any share from or by any member desirous of surrendering the same on such terms as the Board may think fit.

COMPANY'S LIEN ON SHARE/DEBENTURES

The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. The registration of a transfer of shares/debentures shall not operate as a waiver of the Company's lien if any, on such shares/debentures unless otherwise agreed by the Board. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Article.

ENFORCING LIEN BY SALE

For the purpose of enforcing such lien, the Board may sell the shares subject thereto in such manner as it thinks fit but no sale shall be made until such time fixed as aforesaid shall have arrived and until notice in writing of the intention to sell, shall have been served on such member, his heirs, executors, administrators or other legal representatives as the case may be and default shall have been made by him or them in payment, fulfillment or discharged of such debts, liabilities or engagements for fourteen days after the date of such notice.

APPLICATION OF PROCEEDS OF SALE

The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of the said debts, liabilities or engagements and the residue, if any, shall be paid to such member, his heirs, executors, administrators or other legal representatives, as the case may be.

VALIDITY OF SALE IN EXERCISE OF LIEN AND AFTER FORFEITURE

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board of Directors may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, nor to the application of the purchase money and after his name has been entered in the Register of members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

BOARD OF DIRECTORS MAY ISSUE NEW CERTIFICATES

Where any shares under the powers in that behalf herein contained are sold by the Board of Directors after forfeiture or for enforcing a lien, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall voluntarily or on demand by the Company, have been previously surrendered to the Company by the defaulting member) stand cancelled and become null and void and of no effect and the Board of Directors may issue a new certificate or certificates for such shares distinguishing it or them in such manner as it may think fit from the certificate or certificates previously issued in respect of the said shares.

SUM PAYABLE ON ALLOTMENT TO BE DEEMED A CALL

For the purpose of the provisions of these Articles relating to forfeiture of Shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such Share on the day of allotment.

TRANSFER AND TRANSMISSION OF SHARES

REGISTER OF TRANSFER

The Company shall keep a book to be called the Register of Transfer and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any share.

EXECUTION OF TRANSFER

Subject to the Provisions of the Act and these Articles, the transfer of shares in or debentures of the Company shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or on behalf of the transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate if in existence or along with the letter of allotment of the shares or debentures. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the register in respect thereof. Shares of different classes shall not be included in the same instrument of transfer.

INSTRUMENT OF TRANSFER

Every such instrument of transfer shall be signed both by the Transferor and transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of members in respect thereof.

FORM OF TRANSFER

The instrument of transfer shall be in writing and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of shares and registration thereof. The Company shall use a common form for transfer.

NO TRANSFER TO A PERSON OF UNSOUND MIND, ETC

No transfer shall be made to a minor or a person of unsound mind.

TRANSFER OF SHARES

- (i) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee.
- (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.
- (iii) For the purpose of clause (2) hereof notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instruments of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

DIRECTORS MAY REFUSE TO REGISTER TRANSFER

Subject to the Provisions of Section 58 and 59, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be giving reasons for such refusal. Provided that the registration of a transfer shall not be refused person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. If the Company refuses to register the transfer of any share or transmission of right therein, the Company shall within one month from the date on which instrument of transfer or the intimation of transmission, as the case may be, was delivered to the Company, sends notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission as the case may be. Nothing in these Articles shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares of the Company has been transmitted by operation of law.

NO FEE ON TRANSFER OR TRANSMISSION

No fee shall be charged for registration of transfer, transmission, Probate, Succession, Certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

TRANSFER TO BE LEFT AT OFFICE AS EVIDENCE OF TITLE GIVEN

Every instruments of transfer duly executed and stamped shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Company may require to prove the title of the transferor or his right to transfer the shares.

WHEN TRANSFER TO BE RETAINED

All instruments of transfer which are registered shall be retained by the Company but any instrument of transfer which the Board declines to register shall, on demand, be returned to the person depositing the same. The Board may cause to be destroyed all transfer deeds lying with the Company after such period not being less than eight years as it may determine.

DEATH OF ONE OR MORE JOINT HOLDERS OF SHARES

In the case of death of any one or more of the persons named in Register of Members as joint shareholders of any share, the survivors shall be the only persons recognized by the Company as having any title to or interest in such shares, but nothing herein contained shall be taken to release the estate of a joint shareholder from any liability to the Company on shares held by him jointly with any other person.

TITLE TO SHARES OF DECEASED HOLDER

Subject to Article 81, the heir, executor or administrator of a deceased shareholder shall be the only person recognized by the Company as having any title to his shares and the Company shall not be bound to recognize such heir, executor or administrator unless such heir, executor or administrator shall have first obtained probate, letters of administration or succession certificate.

REGISTRATION OF PERSONS ENTITLED TO SHARE OTHERWISE THAN BY TRANSFER

Subject to the provisions of the Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these present, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that sustains the character in respect of which he proposes to act under this Article or of such titles as the Directors shall think sufficient, either be registered himself as a member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as a member in respect of such shares. Provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favor of his nominee on instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be free from any liability in respect of such shares.

A transfer of the share or other interest in the Company of a deceased member thereof made by his legal representative shall although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer

CLAIMANT TO BE ENTITLED TO SAME ADVANTAGE

The person entitled to a share by reason of the death lunacy, bankruptcy or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled as if he were registered holder of the shares except that he shall not before being registered as a member in respect of the share, be entitled in respect of it, to exercise any right conferred by membership in relation to the meeting of the Company provided that the Board may at any time give notice requiring any such persons to elect either to be registered

himself or to transfer shares and if the notice is not complied within sixty days, the Board shall thereafter withhold payment of all dividends, interests, bonuses or other moneys payable in respect of the share until the requirements of the notice have been compelled with.

TRANSMISSION OF SHARE

Subject to the provisions of the Act and these Articles, any person becoming entitled to a share in consequence of the death, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence as the Board think sufficient, either be registered himself as the holder of the share or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such person shall elect to have his nominee registered, he shall testify the election by executing to his nominee an instrument of transfer of the share in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the share.

BOARD MAY REFUSE TO TRANSMIT

The Board shall have the same right to refuse on legal grounds to register a person entitled by transmission to any share or his nominee, as if he were the transferee named in any ordinary transfer presented for registration.

BOARD MAY REQUIRE EVIDENCE OF TRANSMISSION

Every transmission of share shall be verified in such manner as the Board may require and if the Board so desires, be accompanied by such evidence as may be thought necessary and the Company may refuse to register any such transmission until the same be verified on requisite evidence produced or until or unless an indemnity be given to the Company with regard to such registration which the Board at its absolute discretion shall consider sufficient, provided nevertheless, that there shall not be any obligation on the Company or the Board to accept any indemnity.

TRANSFER BY LEGAL REPRESENTATION

A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member be as valid as if he had been a member at the time of the execution of instrument of transfer.

CERTIFICATE OF TRANSFER

The Certification by the Company of any instrument of transfer of shares in or debentures of the Company, shall be taken as a representation by the Company to any person acting on the faith of the certification that there have been produced to the Company such documents as on the face of them show a prime facie title to the shares or debentures in the transferor named in the instrument of transfer, but not as a representation that the transferor has any title to the shares or debentures

THE COMPANY NOT LIABLE FOR DISREGARD OF A NOTICE PROHIBITING REGISTRATION OF TRANSFER

The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer or transmission of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the Register of Members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer any may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some books of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

NOMINATION

- (i) Every shareholder or debenture holder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be determined by Central Government under the Act.
- (ii) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be shall vest in the event of death of all the joint holders in such manner as may be determined by Central Government under the act.
- (iii) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares of debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be on the death of the joint holders become

entitled to all the rights in such shares or debentures or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be determined by Central Government under the Act.

(iv) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of, the Company in the manner prescribed under the Act, in the event of his death, during the minority.

“Option of Nominee”

(i) A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-(a) to register himself as holder of the share or debenture, as the case may be; (b) or to make such transfer of the shares and/or debentures, as the deceased shareholder or debenture holder, as the case may be, could have made.

If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the deceased shareholder or debenture holder, as the case may be.

(ii) A nominee shall be entitled to the share dividend/interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to the meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with.

TRUST NOT RECOGNISED

Save as herein otherwise provided, the Company shall be entitled to treat the person whose names appears on the Register of Members/Debentures as the holder of any Shares/Debentures in the records of the Company and/or in the records of the Depository as the absolute owner thereof and accordingly shall not (except as may be ordered by a Court of competent jurisdiction or as may be required by law) be bound to recognize any benami trust or equitable, contingent, future or other claim or interest or partial interest in any such shares/debentures on the part of any other person or (except only as is by these Articles otherwise expressly provided) any right in respect of a share other than an absolute right thereto on the part of any other person whether or not it shall have express or implied notice thereof, but the Board shall be at liberty and at its sole discretion decided to register any share/debenture in the joint names of any two or more persons or the survivor or survivors of them.

TRANSFER OF SECURITIES

Nothing contained in Section 56(1) of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of depository.

NOTICE OF APPLICATION WHEN TO BE GIVEN

Where, in case of partly paid Shares, an application for registration is made by the transferor, the Company shall give notice of the application to the transferee in accordance with the provisions of Section 56 of the Act.

REFUSAL TO REGISTER NOMINEE

Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any Share of his nominee as if he were the transferee named in an ordinary transfer presented for registration.

PERSON ENTITLED MAY RECEIVE DIVIDEND WITHOUT BEING REGISTERED AS A MEMBER

A person entitled to a Share by transmission shall subject to the right of the Directors to retain dividends or money as is herein provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share.

BOARD MAY REFUSE TRANSFER TO MORE THAN THREE PERSONS

Subject to the provisions of the Act, the Board may refuse to transfer a share or shares in the joint names of more than three persons.

JOINT HOLDERS

If any share stands in the name of two or more persons, the person first named in the Register of Members shall, as regards receipt of dividends or bonus or service of notice and/or any other matter connected with the Company, except voting at meeting and the transfer of the share, be deemed the sole holder thereof, but the joint holders of a share be severally as well as jointly, liable for the payment of all installments and calls due in respect of such share and for all incidents thereof subject to the following and other provisions contained in these articles;

JOINT AND SEVERAL LIABILITIES FOR ALL PAYMENTS IN RESPECT OF SHARES

(a) The joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.

TITLE OF SURVIVORS

(b) On the death of any such joint holder, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.

EFFECTUAL RECEIPTS

(c) Any one of several persons who is registered as joint holder of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

DELIVERY OF CERTIFICATE AND GIVING OF NOTICE TO FIRST NAMED HOLDER

(d) Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificates relating to such share or to receive documents (which expression shall be deemed to include all documents referred to in the Articles and documents served on or sent to such person shall be deemed service on all the joint holders).

VOTES OF JOINT HOLDERS

(e) Any one or two or more joint holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any meeting personally or by proxy or by attorney than that one or such persons so present whose name stands first or higher (as the case may be) on the Register of Members in respect of such shares shall alone be entitled to vote in respect thereof but the others of the joint holders shall be entitled to be present at the meeting; provided always that a joint holder present at any meeting personally shall be entitled to vote in preference to a joint holder present by attorney or by proxy although the name of such joint holder present by an attorney or by proxy although the name of such joint holder present by an attorney or proxy stands first or higher (as the case may be) in the register in respect of such shares. Several executors or administrators of a deceased members in whose (deceased member's) sole name any shares stand shall for the purpose of this Article, be deemed joint holders.

CONVERSION OF SHARES INTO STOCK

SHARES MAY BE CONVERTED INTO STOCK

The Board may, pursuant to Section 61 with the sanction of a General Meeting, convert any paid up share into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth, transfer their respective interests therein or any part of such interest in the same manner as and subject to the same regulations, under which fully paid up share in the capital of the Company may be transferred or as near thereto as circumstances will admit, but the Board may, from time to time if it thinks fit, fix the minimum amount of stock transferable and direct that fractions of a rupee shall not be dealt with, power nevertheless at their discretion to waive such rules in any particular case.

RIGHTS OF STOCK-HOLDERS

The stock shall confer on the holders thereof respectively the same rights, privileges and advantages as regards participation in the profits and voting at meetings of the Company and for other purposes as would have been conferred by shares of equal amount in the capital of the Company of the same class as the shares from which such stock was converted, but so that none of such privileges or advantages except participation in the profits of the Company or in the assets of the Company on a winding up, shall be conferred by any such equivalent part of consolidated stock as would not, if existing in shares have conferred such privileges or advantages. No such conversion shall effect or prejudice any preference or other special privileges attached to the shares so converted. Save as aforesaid, all the provisions herein contained shall, so far as circumstances will admit, apply to stock as well as to shares. The Company may at any time reconvert any such stock into fully paid up shares of any denomination.

MEETING OF MEMBERS

(a) Subject to Section 96 of the Act, the Company shall in each year hold, in addition to any other meetings, a General Meeting as its Annual General Meeting and shall specify the meeting as such in the notices calling it and not more than fifteen months shall elapse between the date of the Annual General Meeting of the Company and that of the next, provided also that the Register may, for any special reason, extend the time within which any annual general meeting shall be held by a period not exceeding three months.

(b) Every Annual General Meeting shall be called for at a time during business hours that is between 9 a.m. and 6 p.m. on any day that is not a national holiday and shall be held either at the Registered Office of the Company or at some other place within the city or town or village in which the Registered Office of the Company is situated.

The Company shall in accordance with Section 92 of the Act, within 60 days from the day on which the Annual General Meeting is held, prepare and file with the Registrar an annual return together with the copy of the financial statements, including consolidated financial statement, if any, along with all the documents which are required to be or attached to such financial statements under this act, duly adopted at the Annual General Meeting of the company. A copy of the financial statements adopted at the Annual General Meeting shall be filed within 30 days of the annual general meeting in accordance with Section 137 of the Act.

DISTINCTION BETWEEN ANNUAL GENERAL MEETING AND EXTRA-ORDINARY GENERAL MEETING

The General Meeting referred to in Article 102 shall be called and styled as an Annual General Meeting and all meetings other than the Annual General Meeting shall be called Extra-ordinary General Meetings.

CALLING OF EXTRA-ORDINARY GENERAL MEETING

(1) The Board may, whenever it deems fit, call an extraordinary general meeting of the company.

(2) The Board shall, at the requisition made by such number of members who hold, on the date of the receipt of the requisition, not less than one-tenth of such of the paid-up share capital of the company as on that date carries the right of voting power of all the members having on the said date a right to vote, call an extraordinary general meeting of the company within the period specified in clause (4).

(3) The requisition made under clause (2) shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and sent to the registered office of the company.

(4) If the Board does not, within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call a meeting for the consideration of that matter on a day not later than forty-five days from the date of receipt of such requisition, the meeting may be called and held by the requisitionists themselves within a period of three months from the date of the requisition.

(5) A meeting under clause (4) by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board.

(6) Any reasonable expenses incurred by the requisitionists in calling a meeting under clause (4) shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such of the directors who were in default in calling the meeting.

LENGTH OF NOTICE FOR CALLING MEETING

(1) A general meeting of a company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be determined by Central Government:

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.

(2) Every notice of a meeting shall specify the place, date, day and the hour of the meeting and shall contain a statement of the business to be transacted at such meeting.

(3) The notice of every meeting of the company shall be given to –

(a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;

(b) the auditor or auditors of the company; and

(c) every director of the company.

(4) Any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

EXPLANATORY STATEMENT TO BE ANNEXED TO NOTICE / SPECIAL BUSINESS

(1) Pursuant to section 102 a statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely: -

(a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—

(i) every director and the manager, if any;

(ii) every other key managerial personnel; and

(iii) relatives of the persons mentioned in sub-clauses (i) and (ii);

(b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

(2) For the purposes of clause (1),—

(a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—

(i) the consideration of financial statements and the reports of the Board of Directors and auditors;

(ii) the declaration of any dividend;

(iii) the appointment of directors in place of those retiring;

(iv) the appointment of, and the fixing of the remuneration of, the auditors; And

(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

(3) Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under sub-clause (1).

No General Meeting, Annual or Extra-ordinary, shall be competent to enter upon, discuss or transact any business which has not been specifically mentioned in the notice or notices upon which it is convened.

QUORUM

(1) The quorum for a General Meeting of the Company shall be as under:

(i) five members personally present if the number of members as on the date of meeting is not more than one thousand; or

(ii) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand; or

(iii) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; shall be the quorum for a meeting of the company.

(2) If the quorum is not present within half-an-hour from the time appointed for holding a meeting of the company –

(a) the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may determine; or

(b) the meeting, if called by requisitionists under section 100, shall stand cancelled:

Provided that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (a), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

(3) If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

RESOLUTION PASSED AT ADJOURNED MEETING

Where a resolution is passed at an adjourned meeting of –

- (a) a company; or
- (b) the holders of any class of shares in a company; or
- (c) the Board of Directors of a company,

the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

REGISTRATION OF RESOLUTIONS AND AGREEMENTS

The Company shall comply with the provisions of Section 117 of the Act relating to registration of certain resolutions and agreements.

POWER OF ADJOURN GENERAL MEETING

- (1) The Chairman of the General Meeting at which a quorum is present, and shall if so directed by the meeting, may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (2) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (3) Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.

CHAIRMAN OF GENERAL MEETING

The Chairman of the Board shall, if willing, preside as Chairman at every General Meeting, Annual or Extra-ordinary, if there be no such Chairman or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting or being present declined to take the Chair, the Directors present may choose one of their members to be Chairman and in default of their doing so, the members present shall choose one of the Directors to be Chairman and if no Director present be willing to take the Chair, members shall, on a show of hands elect one of their numbers to be Chairman, of the meeting, if a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman elected on a show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.

BUSINESS CONFINED TO ELECTION OF CHAIRMAN WHILE CHAIR VACANT

No business shall be discussed at any General Meeting except the election of a Chairman while the chair is vacant.

RESOLUTION MUST BE PROPOSED AND SECONDED

No resolution submitted to a meeting, unless proposed by the Chairman of the meeting shall be discussed nor put to vote until the same has been proposed by a member present and entitled to vote at such meeting and seconded by another member present and entitled to vote at such meeting.

POSTAL BALLOT

- (1) Notwithstanding anything contained in this Act, the company –
 - (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted only by means of postal ballot; and
 - (b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be determined by Central Government, instead of transacting such business at a general meeting.
- (2) If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

DECLARATION OF CHAIRMAN TO BE CONCLUSIVE

A declaration by the Chairman that a resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number of proportion of the votes cast in favour of or against such resolution

CIRCULATION OF MEMBERS' RESOLUTION

- (1) A company shall, on requisition in writing of such number of members, as required in section 100,—
- (a) give notice to members of any resolution which may properly be moved and is intended to be moved at a meeting; and
- (b) circulate to members any statement with respect to the matters referred to in proposed resolution or business to be dealt with at that meeting.
- (2) A company shall not be bound under this section to give notice of any resolution or to circulate any statement unless –
- (a) a copy of the requisition signed by the requisitionists (or two or more copies which, between them, contain the signatures of all the requisitionists) is deposited at the registered office of the company,—
- (i) in the case of a requisition requiring notice of a resolution, not less than six weeks before the meeting;
- (ii) in the case of any other requisition, not less than two weeks before the meeting; and
- (b) there is deposited or tendered with the requisition, a sum reasonably sufficient to meet the company's expenses in giving effect thereto:

Provided that if, after a copy of a requisition requiring notice of a resolution has been deposited at the registered office of the company, an annual general meeting is called on a date within six weeks after the copy has been deposited, the copy, although not deposited within the time required by this sub-section, shall be deemed to have been properly deposited for the purposes thereof.

(3) The company shall not be bound to circulate any statement as required by clause(b) of sub-section (1), if on the application either of the company or of any other person who claims to be aggrieved, the Central Government, by order, declares that the rights conferred by this section are being abused to secure needless publicity for defamatory matter.

(4) An order made under sub-section (3) may also direct that the cost incurred by the company by virtue of this section shall be paid to the company by the requisitionists, notwithstanding that they are not parties to the application.

VOTES OF MEMBERS

VOTES MAY BE GIVEN BY PROXY OR ATTORNEY

Subject to the provisions of the Act and these Articles, votes may be given either personally or by an attorney or by proxy or in the case of a body corporate, also by a representative duly authorised under section 113 of the Act.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights

Provided that a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

VOTES OF MEMBERS

(1) Subject to the provisions of section 43 and sub-section (2) of section 50, - every member of a company limited by shares and holding equity share capital therein, shall have a right to vote on every resolution placed before the company; and

(b) his voting right on a poll shall be in proportion to his share in the paid-up equity share capital of the company.

(2) Every member of a company limited by shares and holding any preference share capital therein shall, in respect of such capital, have a right to vote only on resolutions placed before the company which directly affect the rights attached to his preference shares and, any resolution for the winding up of the company or for the payment or reduction of its equity or preference share capital and his voting right on a poll shall be in proportion to his share in the paid-up preference share capital of the company:

Provided that the proportion of the voting rights of equity shareholders to the voting rights of the preference shareholders shall be in the same proportion as the paid-up capital in respect of the equity shares bears to the paid-up capital in respect of the preference shares:

Provided further that where the dividend in respect of a class of preference shares has not been paid for a period of two years or more, such class of preference shareholders shall have a right to vote on all the resolutions placed before the company.

RIGHT OF MEMBER TO USE HIS VOTES DIFFERENTLY

On a poll being taken at meeting of the Company, a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not, if he votes, use all his votes or cast in the same way all the votes he uses.

REPRESENTATION OF BODY CORPORATE

Pursuant to section 113, a body corporate whether a Company within meaning of the Act or not may, if it is a member or creditor of the Company including being a holder of debentures, may authorize such person by a resolution of its Board of Directors, as it thinks fit, to act as its representative at any meeting of members and creditors of the Company.

REPRESENTATION OF THE PRESIDENT OF INDIA OR GOVERNORS

The President of India or the Governor of State if he is a member of the Company may appoint such person as he thinks fit to act, as his representative at any meeting of the Company or at any meeting of any class of members of the Company in accordance with provisions of Section 112 of the Act or any other statutory provision governing the same.

A person appointed to act as aforesaid shall for the purposes of the Act be deemed to be a member of such a Company and shall be entitled to exercise the same rights and powers (including the right to vote by proxy) as the Governor could exercise, as member of the Company.

RESTRICTION ON EXERCISE OF VOTING RIGHT BY MEMBERS WHO HAVE NOT PAID CALLS

No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has and/or has exercised its right of lien.

RESTRICTION ON EXERCISE OF VOTING RIGHT IN OTHER CASES TO BE VOID

A member is not prohibited from exercising his voting right on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or on any other ground not being a ground set out in Article 124.

HOW MEMBER NON-COMPOS MENTIS MAY VOTE

If any member be a lunatic or non-compos mentis, the vote in respect of his share or shares shall be his committee or other legal guardian provided that such evidence of the authority of the person claimed to vote as shall be acceptable by the Board shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a meeting.

INSTRUMENT OF PROXY

The instrument appointing a proxy shall be in writing and signed by the appointer or his attorney duly authorized in writing or if the appointer is a body corporate be under its seal or be signed by an office or attorney duly authorized by it.

INSTRUMENT OF PROXY TO BE DEPOSITED AT OFFICE

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or authority shall be deposited at the registered office of the Company not less than forty eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall not be treated as valid. No instrument of proxy shall be valid after the expiration of twelve months from the date of its execution.

WHEN VOTE BY PROXY VALID THOUGH AUTHORITY REVOKED

A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the vote is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjournment meeting at which the proxy is used.

FORM OF PROXY

Every instrument of proxy, whether for specified meeting or otherwise shall, as nearly as circumstances will admit, be in the form Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014.

TIME FOR OBJECTION TO VOTE

No objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be so tendered and every vote whether given personally or by proxy and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

CHAIRMAN OF ANY MEETING TO BE THE JUDGE OF VALIDITY OF ANY VOTE

The Chairman of any meeting shall be sole judge of the validity of every vote tendered at such meeting. The Chairman present at the time of taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.

MEMBER PAYING MONEY IN ADVANCE NOT BE ENTITLED TO VOTE IN RESPECT THEREOF

A Member paying the whole or a part of the amount remaining unpaid on any Share held by him although no part of that amount has been called up, shall not be entitled to any voting rights or participate in dividend or profits in respect of moneys so paid by him until the same would but for such payment become presently payable

DIRECTORS

- 1) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act, the number of Directors shall not be less than three nor more than fifteen.
- 2) The names of the first directors are:
 - i. Manishbhai Mansukhbhai Patel
 - ii. Piyush Mansukhbhai Patel
 - iii. Mansukhbhai Kunvarjibhai Patel

INCREASE IN NUMBER OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

The appointment of the Directors exceeding 15 (fifteen) will be subject to the provisions of Section 149 of the Act.

POWER OF DIRECTORS TO APPOINT ADDITIONAL DIRECTORS

The Board of Directors shall have the power to appoint any person, other than a person who fails to get appointed as a director in a general meeting, as an additional director at any time who shall hold office up to the date of the next annual general meeting or the last date on which the annual general meeting should have been held, whichever is earlier.

ALTERNATE DIRECTORS

The Board of Directors shall have the power to appoint a person, not being a person holding any alternate directorship for any other director in the company, to act as an alternate director for a director during his absence for a period of not less than three months from India:

Provided that no person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of this Act:

Provided further that an alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate the office if and when the director in whose place he has been appointed returns to India:

Provided also that if the term of office of the original director is determined before he so returns to India, any provision for the automatic re-appointment of retiring directors in default of another appointment shall apply to the original, and not to the alternate director.

NOMINEE DIRECTORS

The Board shall have the power to appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement or by the Central Government or the State Government by virtue of its shareholding in a Government company.

If the office of any director appointed by the company in general meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of Directors at a meeting of the Board:

Provided that any person so appointed shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.

A Director need not hold any qualification shares.

REMUNERATION OF DIRECTORS

- (1) Subject to the provisions of the Act, a Managing Director or any other Director, who is in the Whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.

(2) Subject to the provisions of the Act, a Director who is neither in the Whole-time employment nor a Managing Director may be paid remuneration.

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government: or

(ii) by way of commission if the Company by a special resolution authorises such payments.

(3) The fees payable to Director (including a Managing or whole-time Director, if any) for attending a meeting of the Board or Committee shall be decided by the Board of Directors from time to time, however the amount thereof shall not exceed limit provided in the Companies Act, 2013 and rules, if any, framed there under.

(4) if any Director be called upon to perform extra services or special exertion or efforts (which expression shall include work done by a Director as member of any committee formed by the Directors), the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or either by a fixed sum or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided subject to the provision of Section 197(4) of the Act.

INCREASE IN REMUNERATION OF DIRECTORS TO REQUIRE GOVERNMENT SANCTION

Any provision relating to the remuneration of any Director including the Managing Director or Joint Managing Director or whole time Director or executive Director whether contained in his original appointment or which purports to increase or has the effect of increasing whether directly or indirectly the amount of such remuneration and whether that provisions are contained in the articles or in any agreement entered into by the Board of Directors shall be subject to the provisions of Section 196, 197 and 203 of the Act and in accordance with the conditions specified in Schedule V and to the extent to which such appointment or any provisions for remuneration thereof is not in accordance with the Schedule V, the same shall not have any effect unless approved by the Central Government and shall be effective for such period and be subject to such conditions as may be stipulated by the Central Government and to the extent to which the same is not approved by the Central Government, the same shall become void and not enforceable against the Company.

TRAVELLING EXPENSES INCURRED BY A DIRECTOR NOT A BONAFIDE RESIDENT OR BY DIRECTOR GOING OUT ON COMPANY'S BUSINESS

The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board or committee thereof are ordinarily held and who shall come to a such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any travelling or other expenses, incurred in connection with business of the Company.

DIRECTORS MAY ACT NOTWITHSTANDING ANY VACANCY

The continuing Directors may act notwithstanding any vacancy in the Board, but if and so long as the number is reduced below the quorum fixed by the Act or by these Articles for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or for summoning a General Meeting of the Company but for no other purpose.

DISCLOSURE OF INTEREST OF DIRECTORS

(1) Every director shall at the first meeting of the Board in which he participates as a director and

thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after such change, disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals which shall include the shareholding, in such manner as may be determined by central government.

(2) Every director of a company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

(a) with a body corporate in which such director or such director in association with any other director, holds more than two per cent. shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

(b) with a firm or other entity in which, such director is a partner, owner or member, as the case may be,

shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

(3) A contract or arrangement entered into by the company without disclosure under sub-section (2) or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

(4) Nothing in this Article-

(a) shall be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;

(b) shall apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two per cent. of the paid-up share capital in the other company.

INTERESTED DIRECTOR NOT TO PARTICIPATE OR VOTE ON BOARD'S PROCEEDINGS

No Director of the Company shall, as Director, take any part in the discussion of or vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company if he is in any way whether directly or indirectly, concerned or interested in the contract or arrangement, nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote his vote shall be void, provided however that Directors may vote on any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the Company.

BOARD'S SANCTION TO BE REQUIRED FOR CERTAIN CONTRACTS IN WHICH PARTICULAR DIRECTOR IS INTERESTED

(1) Except with the consent of the Board of Directors of the Company and of the Shareholders where applicable, the Company, shall not enter into any contract with a Related Party in contravention of Section 188 of the Act and the Rules made there under-

- (i) for the sale, purchase or supply of any goods, materials or services; or
- (ii) selling or otherwise disposing of, or buying, property of any kind;
- (iii) leasing of property of any kind;
- (iv) availing or rendering of any services;
- (v) appointment of any agent for purchase or sale of goods, materials, services or property;
- (vi) such Related Party's appointment to any office or place of profit in the Company, its subsidiary company or associate company;
- (vii) underwriting the subscription of any securities or derivatives thereof, of the Company;

(2) Nothing contained in clause (1) shall affect any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis.

(3) Notwithstanding anything contained in clauses (1) and (2) a Related Party may, in circumstances of urgent necessity enter, without obtaining the consent of the Board, into any contract with the Company; but in such a case the consent of the Board shall be obtained at a meeting within three months of the date of which the contract was entered into or such other period as may be prescribed under the Act. (S.188 (3))

(4) Every consent of the Board required under this Article shall be accorded by a resolution of the Board and the consent required under Clause (1) shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into or such other period as may be prescribed under the Act.

(5) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract will be voidable at the option of the Board.

SPECIAL DIRECTOR

In connection with any collaboration arrangement with any company or corporation or any firm or person for supply of technical know-how and/or machinery or technical advice the directors may authorize such company, corporation, firm or person herein-after in this clause referred to as "collaborator" to appoint from time to time any person as director of the company (hereinafter referred to as "special director") and may agree that such special director shall not be liable to retire by rotation and need not possess any qualification shares

to qualify him for office of such director, so however that such special director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the Company and such collaborator under the collaboration arrangements or at any time thereafter.

The collaborators may at any time and from time to time remove any such special director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time appoint any other person as special director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the Company at its registered office.

It is clarified that every collaborator entitled to appoint a director under this article may appoint one such person as a director and so that if more than one collaborator is so entitled there may be at any time as many special directors as the collaborators eligible to make the appointment.

DIRECTORS' SITTING FEES

The fees payable to a Director for attending each Board meeting shall be such Sum as may be fixed by the Board of Directors not exceeding such as may be determined by the Central Government for each of the meetings of the Board or a committee thereof and adjournments thereto attended by him. The directors, Subject to the sanction of the Central Government (if any required) may be paid such higher fees as the Company in General Meeting shall from time to time determine.

DIRECTORS AND MANAGING DIRECTOR MAY CONTRACT WITH COMPANY

Subject to the provisions of the Act the Directors (including a Managing Director And whole time Director) shall not be disqualified by reason of his or their office as such from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or lessee or Otherwise, nor shall any such contract or any contracts or arrangement entered into by or on behalf of the Company with any Director or with any company or Partnership of or in which any Director shall be a member or otherwise interested be avoided nor shall any Director so contracting be liable to account to the Company for any profit realized by such contract or arrangement by reason only of such director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest shall be disclosed as Provided by Section 188 of the Act and in this respect all the provisions of Section 179, 180, 184, 185, 186, 188, 189 and 196 of the Act shall be duly observed and complied with.

DISQUALIFICATION OF THE DIRECTOR

(1) A person shall not be eligible for appointment as a director of a company, if -

(a) he is of unsound mind and stands so declared by a competent court;

(b) he is an undischarged insolvent;

(c) he has applied to be adjudicated as an insolvent and his application is pending;

(d) he has been convicted by a court of any offence, whether involving moral turpitude or otherwise, and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence:

Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;

(e) an order disqualifying him for appointment as a director has been passed by a Court or Tribunal and the order is in force;

(f) he has not paid any calls in respect of any shares of the company held by him, whether alone or jointly with others, and six months have elapsed from the last day fixed for the payment of the call;

(g) he has been convicted of the offence dealing with related party transactions under section 188 at any time during the last preceding five years; or

(h) he has not complied with sub-section (3) of section 152.

(2) No person who is or has been a director of a company which -

(a) has not filed financial statements or annual returns for any continuous period of three financial years; or

(b) has failed to repay the deposits accepted by it or pay interest thereon or to redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure to pay or redeem continues for one year or more, shall be eligible to be re-appointed as a director of that company or appointed in other company for a period of five years from the date on which the said company fails to do so.

DIRECTORS VACATING OFFICE

The office of a Director shall be vacated if :

- (i) he is found to be of unsound mind by a Court of competent jurisdiction;
- (ii) he applied to be adjudicated an insolvent;
- (iii) he is adjudicated an insolvent;
- (iv) he is convicted by a Court, of any offence involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the expiry of the sentence; Provided that if a person has been convicted of any offence and sentenced in respect thereof to imprisonment for a period of seven years or more, he shall not be eligible to be appointed as a director in any company;
- (v) he fails to pay any call in respect of shares of the Company held by him, whether alone or jointly with others, within six months from the last date fixed for the payment of the call unless the Central Government by Notification in the Official Gazette removes the disqualification incurred by such failure;
- (vi) he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;
- (vii) he is removed in pursuance of Section 169 of Act;
- (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company;
- (ix) he acts in contravention of the provisions of Section 184 of the Act relating to entering into contracts or arrangements in which he is directly or indirectly interested;
- (x) he fails to disclose his interest in any contract or arrangement in which he is directly or indirectly interested, in contravention of the provisions of section 184.

DIRECTOR MAY BE DIRECTOR OF COMPANIES PROMOTED BY THE COMPANY

Subject to provisions of Section 203 of the Act, a Director may be or become a director of any company promoted by the Company, or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefit received as director or Shareholder of such company except in so far Section 197 or Section 188 of the Act may be applicable.

RETIREMENT AND ROTATION OF DIRECTORS

RETIREMENT OF DIRECTORS BY ROTATION

- (1) (a) At every Annual General Meeting, not less than two-thirds of the total number of directors of a company shall -
- (i) be persons whose period of office is liable to determination by retirement of directors by rotation; and
 - (ii) save as otherwise expressly provided in this Act, be appointed by the company in general meeting.
- (b) The remaining directors in the case of any such company shall, in default of, and subject to any regulations in the articles of the company, also be appointed by the company in general meeting.
- (c) At the first annual general meeting of a public company held next after the date of the general meeting at which the first directors are appointed in accordance with clauses (a) and (b) and at every subsequent annual general meeting, one-third of such of the directors for the time being as are liable to retire by rotation, or if their number is neither three nor a multiple of three, then, the number nearest to one-third, shall retire from office.
- (d) The directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.
- (e) At the annual general meeting at which a director retires as aforesaid, the company may fill up the vacancy by appointing the retiring director or some other person thereto.
- (2)(a) If the vacancy of the retiring director is not so filled-up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a holiday, at the same time and place.

(b) If at the adjourned meeting also, the vacancy of the retiring director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been re-appointed at the adjourned meeting, unless—
at that meeting or at the previous meeting a resolution for the re-appointment of such director has been put to the meeting and lost; the retiring director has, by a notice in writing addressed to the company or its Board of directors, expressed his unwillingness to be so re-appointed; he is not qualified or is disqualified for appointment; a resolution, whether special or ordinary, is required for his appointment or re-appointment by virtue of any provisions of this Act; or section 162 is applicable to the case.

APPOINTMENT OF DIRECTOR TO BE VOTE INDIVIDUALLY

(1) At a general meeting of a company, a motion for the appointment of two or more persons as directors of the company by a single resolution shall not be moved unless a proposal to move such a motion has first been agreed to at the meeting without any vote being cast against it.

(2) A resolution moved in contravention of sub-section (1) shall be void, whether or not any objection was taken when it was moved.

(3) A motion for approving a person for appointment, or for nominating a person for appointment as a director, shall be treated as a motion for his appointment.

(1) A person who is not a retiring director in terms of section 152 shall, subject to the provisions of this Act, be eligible for appointment to the office of a director at any general meeting, if he, or some member intending to propose him as a director, has, not less than fourteen days before the meeting, left at the registered office of the company, a notice in writing under his hand signifying his candidature as a director or, as the case may be, the intention of such member to propose him as a candidate for that office, along with the deposit of one lakh rupees or such higher amount as may be determined by central government which shall be refunded to such person or, as the case may be, to the member, if the person proposed get selected as a director or gets more than twenty-five per cent. of total valid votes cast either on show of hands or on poll on such resolution.

(2) The company shall inform its members of the candidature of a person for the office of director under sub-section (1) in such manner as may be determined by central government.

RESIGNATION OF DIRECTOR

(1) A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the Registrar in such manner, within such time and in such form as may be determined by central government and shall also place the fact of such resignation in the report of directors laid in the immediately following general meeting by the company:

Provided that a director shall also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within thirty days of resignation in such manner as may be determined by Central Government.

(2) The resignation of a director shall take effect from the date on which the notice is received by the company or the date, if any, specified by the director in the notice, whichever is later:

Provided that the director who has resigned shall be liable even after his resignation for the offences which occurred during his tenure.

(3) Where all the directors of a company resign from their offices, or vacate their offices under Section 167 of the Act, the promoter or, in his absence, the Central Government shall appoint the required number of directors who shall hold office till the directors are appointed by the company in general meeting.

REGISTER OF DIRECTORS AND KEY MANAGERIAL PERSONNEL AND NOTIFICATION OF CHANGES TO REGISTRAR

The Company shall keep at its registered office, a Register of Director, Managing Director, Manager and Secretary and key managerial personnel of the Company containing the particulars as required by Section 170 of the Act and shall send to the Registrar a return in the prescribed form containing the particulars specified in the said register and shall notify to the Registrar any change among its Directors, Managing Directors, Manager, Secretary and key managerial personnel or any of the particulars contained in the register as required by Section 170 of the Act.

APPOINTMENT OF TECHNICAL OR EXECUTIVE DIRECTORS

a) The Board of Directors shall have the right from time to time to appoint any person or persons as Technical Director or Executive Director/s and remove any such persons from time to time without assigning any reason whatsoever. A Technical Director or Executive Director shall not be required to hold any qualification shares and shall not be entitled to vote at any meeting of the Board of Directors.

b) Subject to the provisions of Section 161 of the Act, if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course, the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid.

REMOVAL OF DIRECTORS

(1) A company may, by ordinary resolution, remove a director, not being a director appointed by the Tribunal under section 242, before the expiry of the period of his office after giving him a reasonable opportunity of being heard: Provided that nothing contained in this sub-section shall apply where the company has availed itself of the option given to it under section 163 to appoint not less than two thirds of the total number of directors according to the principle of proportional representation.

(2) A special notice shall be required of any resolution, to remove a director under this section, or to appoint somebody in place of a director so removed, at the meeting at which he is removed.

(3) On receipt of notice of a resolution to remove a director under this section, the company shall forthwith send a copy thereof to the director concerned, and the director, whether or not he is a member of the company, shall be entitled to be heard on the resolution at the meeting.

(4) Where notice has been given of a resolution to remove a director under this section and the director concerned makes with respect thereto representation in writing to the company and requests its notification to members of the company, the company shall, if the time permits it to do so, —

- (a) in any notice of the resolution given to members of the company, state the fact of the representation having been made; and
- (b) send a copy of the representation to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(5) A vacancy created by the removal of a director under this section may, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-section (2).

(6) A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(7) If the vacancy is not filled under sub-section (5), it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be re-appointed as a director by the Board of Directors.

(8) Nothing in this section shall be taken -

(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or as derogating from any power to remove a director under other provisions of this Act.

ELIGIBILITY FOR RE-ELECTION

A retiring Director shall be eligible for re-election.

PROCEEDINGS OF DIRECTORS

MEETINGS OF BOARD

(1) A minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board:

Provided that the Central Government may, by notification, direct that the provisions of this sub-section shall not apply in relation to any class or description of companies or shall apply subject to such exceptions, modifications or conditions as may be specified in the notification.

(2) The participation of directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be determined by central government, which are capable of recording and recognising the participation of the directors and of recording and storing the proceedings of such meetings along with date and time:

Provided that the Central Government may, by notification, specify such matters which shall not be dealt with in a meeting through video conferencing or other audio visual means.

(3) A meeting of the Board shall be called by giving not less than seven days' notice in writing to every director at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means:

Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one independent director, if any, shall be present at the meeting:

Provided further that in case of absence of independent directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one independent director, if any.

QUORUM

(1) The quorum for a meeting of the Board of Directors of a company shall be one third of its total strength or two directors, whichever is higher, and the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.

(2) The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company and for no other purpose.

(3) Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.

(4) Where a meeting of the Board could not be held for want of quorum, then, unless the articles of the company otherwise provide, the meeting shall automatically stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

DECISION OF QUESTIONS

Subject to the provisions of the Act, question arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes, the Chairman shall have a second or casting vote.

BOARD MAY APPOINT CHAIRMAN, CO-CHAIRMAN AND VICE CHAIRMAN

The Board may elect a Chairman, a Co-Chairman and a Vice Chairman of their Meetings and of the Company and determine the period for which he is to hold office. The Chairman or in his absence the Co-Chairman or the Vice Chairman shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary, or if there be no such Chairman or Co-Chairman or Vice Chairman of the Board of Directors, or if at any Meeting neither of these shall be present within fifteen minutes of the time appointed for holding such Meeting, the Directors present may choose one of their members to be the Chairman of the Meeting of their meetings and determine the period for which he is to hold office, but if no such Chairman is elected or if at any meeting the Chairman is not present within ten minutes after the time appointed for holding the meeting, the Directors present may choose one of their members to be the Chairman of the Meeting.

POWER OF BOARD MEETING

A meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions which by or under the Act or the Articles are for the time being vested in or exercisable by the Board generally.

Subject to the restrictions contained in Section 179 of the Act, the Board may delegate any of its power to a Committee of the Board consisting of such member or members of its body or any other person as it thinks fit and it may from time to time revoke and discharge

any such committee of the Board so formed, shall in the exercise of the power so delegated confirm to any regulations that may from time to time be imposed on it by the Board. All acts done by such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

MEETING OF THE COMMITTEE HOW TO BE GOVERNED

The meeting and proceedings of any such Committee of the Board consisting of two or more persons shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board, so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Article.

DEFECTS IN APPOINTMENT OF DIRECTORS NOT TO INVALIDATE ACTIONS TAKEN

No act done by a person as a director shall be deemed to be invalid, notwithstanding that it was subsequently noticed that his appointment was invalid by reason of any defect or disqualification or had terminated by virtue of any provision contained in this Act or in the articles of the company:

Provided that nothing in this section shall be deemed to give validity to any act done by the director after his appointment has been noticed by the company to be invalid or to have terminated.

PASSING OF RESOLUTION BY CIRCULATION

(1) No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the directors, or members of the committee, as the case may be, at their addresses registered with the company in India by hand delivery or by post or by courier, or through such electronic means as may be determined by Central Government and has been approved by a majority of the directors or members, who are entitled to vote on the resolution:

Provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the Chairperson shall put the resolution to be decided at a meeting of the Board.

(2) A resolution under sub-section (1) above shall be noted at a subsequent meeting of the Board or the committee thereof, as the case may be, and made part of the minutes of such meeting.

SPECIAL NOTICE

Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company by such number of members holding not less than one per cent of total voting power or holding shares on which such aggregate sum not exceeding five lakh rupees, as may be prescribed, has been paid-up, not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.

GENERAL POWERS OF THE BOARD

(1) The Board of Directors of a company shall be entitled to exercise all such powers, and to do all such acts and things, as the company is authorized to exercise and do:

Provided that in exercising such power or doing such act or thing, the Board shall be subject to the provisions contained in that behalf in this Act, or in the memorandum or articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the company in general meeting:

Provided further that the Board shall not exercise any power or do any act or thing which is directed or required, whether under this Act or by the memorandum or articles of the company or otherwise, to be exercised or done by the company in general meeting.

(2) No regulation made by the company in general meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

CERTAIN POWERS TO BE EXERCISED BY THE BOARD ONLY AT MEETINGS

The Board of Directors of a company shall exercise the following powers on behalf of the company by means of resolutions passed at meetings of the Board, namely: -

- (a) to make calls on shareholders in respect of money unpaid on their shares;
- (b) to authorize buy-back of securities under section 68;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow monies;
- (e) to invest the funds of the company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statement and the Board's report;
- (h) to diversify the business of the company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) to make political contributions;
- (l) to appoint or remove key managerial personnel (KMP);
- (m) to take note of appointment(s) or removal(s) of one level below the Key Managerial Personnel;
- (n) to appoint internal auditors and secretarial auditor;
- (o) to take note of disclosure of director's interest and shareholding;
- (p) to buy, sell investments held by the company (other than trade investments) constituting five percent or more of the paid up share capital and free reserve of the investee company;
- (q) to invite and accept or renew public deposits and related matters;
- (r) to review or change the terms and conditions of public deposit;
- (s) to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of directors, the managing director, the manager or any other principal officer of the company or in the case of a branch office of the company, the principal officer of the branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify:

Nothing in this section shall be deemed to affect the right of the company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers specified in this section.

RESTRICTIONS ON POWERS OF BOARD

(1) The Board of Directors of a company shall exercise the following powers only with the consent of the company by a special resolution, namely: -

- (a) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertakings.
- (b) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation;
- (c) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business;

Provided that the acceptance by a banking company, in the ordinary course of its business, of deposits of money from the public, repayable on demand or otherwise, and withdrawable by cheque, draft, order or otherwise, shall not be deemed to be a borrowing of monies by the banking company within the meaning of this clause.

(d) to remit, or give time for the repayment of, any debt due from a director.

(2) Every special resolution passed by the company in general meeting in relation to the exercise of the powers referred to in clause (c) of sub-section (1) shall specify the total amount up to which monies may be borrowed by the Board of Directors.

(3) Nothing contained in clause (a) of sub-section (I) shall affect -

(a) the title of a buyer or other person who buys or takes on lease any property, investment or undertaking as is referred to in that clause, in good faith; or

(b) the sale or lease of any property of the company where the ordinary business of the company consists of, or comprises, such selling or leasing.

(4) Any special resolution passed by the company consenting to the transaction as is referred to in clause (a) of sub-section (I) may stipulate such conditions as may be specified in such resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transactions:

Provided that this sub-section shall not be deemed to authorise the company to effect any reduction in its capital except in accordance with the provisions contained in this Act.

(5) No debt incurred by the company in excess of the limit imposed by clause (c) of sub-section (I) shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.

POWER TO BORROW

Subject to the provisions of Sections 73 and 180 of the Act, the Board may, from time to time at its discretion and by means of resolutions passed at its meeting accept deposits from members either in advance of calls or otherwise and generally, raise or borrow or secure the payment or any sum or sums of money for the purposes of the Company.

All the provisions applicable to nomination facility available to shareholder(s) and debenture holder(s) enumerated in these Articles shall equally apply to deposit holder(s) and the provisions of Section 72 of the Act shall also apply.

THE PAYMENT OR REPAYMENT OF MONEYS BORROWED

The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of bonds, debentures or debentures stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its un-called capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

BONDS, DEBENTURES, ETC. TO BE SUBJECT TO CONTROL OF DIRECTORS

Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Directors who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider to be for the benefit of the Company.

Provided that bonds, debentures, debenture-stock or other securities so issued or to be issued by the Company with the right to allotment of or conversion into shares shall not be issued except with the sanction of the Company in general meeting.

CONDITION ON WHICH MONEY MAY BE BORROWED

The Board may raise or secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit and in particular by the issue of bonds, perpetual or redeemable debenture-stock or any mortgage, charge or other security on the undertaking of the whole or any part of the Company (both present and future) including its uncalled capital for the time being. The Board shall exercise such power only by means of resolutions passed at its meetings and not by circular resolutions.

TERMS OF ISSUE OF DEBENTURES

Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

DEBENTURES WITH VOTING RIGHTS NOT BE ISSUED

(I) A company may issue debentures with an option to convert such debentures into shares, either wholly or partly at the time of redemption:

Provided that the issue of debentures with an option to convert such debentures into shares, wholly or partly, shall be approved by a special resolution passed at a general meeting.

- (2) No company shall issue any debentures carrying any voting rights.
- (3) Secured debentures may be issued by a company subject to such terms and conditions as may be determined by central government.
- (4) Where debentures are issued by a company under this section, the company shall create a debenture redemption reserve account out of the profits of the company available for payment of dividend and the amount credited to such account shall not be utilized by the company except for the redemption of debentures.
- (5) No company shall issue a prospectus or make an offer or invitation to the public or to its members exceeding five hundred for the subscription of its debentures, unless the company has, before such issue or offer, appointed one or more debenture trustees and the conditions governing the appointment of such trustees shall be such as may be determined by Central Government.
- (6) A debenture trustee shall take steps to protect the interests of the debenture holders and redress their grievances in accordance with such rules as may be determined by Central Government.
- (7) Any provision contained in a trust deed for securing the issue of debentures, or in any contract with the debenture-holders secured by a trust deed, shall be void in so far as it would have the effect of exempting a trustee thereof from, or indemnifying him against, any liability for breach of trust, where he fails to show the degree of care and due diligence required of him as a trustee, having regard to the provisions of the trust deed conferring on him any power, authority or discretion:

Provided that the liability of the debenture trustee shall be subject to such exemptions as may be agreed upon by a majority of debenture-holders holding not less than three fourths in value of the total debentures at a meeting held for the purpose.

- (8) A company shall pay interest and redeem the debentures in accordance with the terms and conditions of their issue.
- (9) Where at any time the debenture trustee comes to a conclusion that the assets of the company are insufficient or are likely to become insufficient to discharge the principal amount as and when it becomes due, the debenture trustee may file a petition before the Tribunal and the Tribunal may, after hearing the company and any other person interested in the matter, by order, impose such restrictions on the incurring of any further liabilities by the company as the Tribunal may consider necessary in the interests of the debenture-holders.
- (10) Where a company fails to redeem the debentures on the date of their maturity or fails to pay interest on the debentures when it is due, the Tribunal may, on the application of any or all of the debenture-holders, or debenture trustee and, after hearing the parties concerned, direct, by order, the company to redeem the debentures forthwith on payment of principal and interest due thereon.
- (11) If any default is made in complying with the order of the Tribunal under this section, every officer of the company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than two lakh rupees but which may extend to five lakh rupees, or with both.
- (12) A contract with the company to take up and pay for any debentures of the company may be enforced by a decree for specific performance.
- (13) The Central Government may prescribe the procedure, for securing the issue of debentures, the form of debenture trust deed, the procedure for the debenture-holders to inspect the trust deed and to obtain copies thereof, quantum of debenture redemption reserve required to be created and such other matters.

EXECUTION OF INDEMNITY

If the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or surety for the company.

CERTAIN POWERS OF THE BOARD

Without prejudice to the general powers conferred by these Articles and so as not in any way to limit or restrict those powers, but subject however to the provisions of the Act, it is hereby expressly declared that the Board shall have the following powers:

To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the Company.

Subject to Sections 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, movable or immovable, rights or privileges which the Company is authorized to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such title as the Board may believe or may be advised to be reasonably satisfactory.

3) At its discretion and subject to the provisions of the Act, to pay for any property, rights, privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as fully paid up thereon as may be agreed upon and any such bonds, debentures, mortgages or other securities may be either specifically charges upon all or any part of the property of the Company including its uncalled capital or not so charges.

4) To secure the fulfillment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.

5) To appoint and at its discretion, remove or suspend, such managers, secretaries, officers, clerks, agents and employees for permanent, temporary or special services as it may from time to time think fit and to determine their power and duties and fix their salaries, emoluments remuneration and to require security in such instances and of such amounts as it may think fit.

6) To accept from any member subject to the provisions of the Act, a surrender of his share or any part thereof on such terms and condition as shall be agreed.

7) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purpose and to execute and do all such deeds and things as may be required in relation to any such trust and to provide for the remuneration of such trustee or trustees.

8) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or any claims or demands by or against the Company and to refer any difference to arbitration and observe and perform the terms of any awards made therein either according to Indian Law or according to Foreign Law and either in India or abroad and observe and perform or challenge any award made therein.

9) To refer any claims or demands by or against the Company or any difference to arbitration and observe and perform the awards.

10) To act on behalf of the Company in all matters relating to bankruptcy and insolvency.

11) To make and give receipts, releases and other discharges for money payable to the Company and for the claims and demands of the Company.

12) To open and operate Bank Accounts, to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividend warrants, releases, contracts and documents and to give the necessary authority for such purposes.

13) Subject to the provisions of the Act and these Articles from time to time to provide for the management of the affairs of the Company in or outside India in such manner as it may think fit and in particular to appoint any person to be the attorneys or agents of the Company with such person (including the power to sub-delegate) and upon such terms as may be though fit.

14) Subject to the provisions of Sections 179,180, 185 of Act and other applicable provisions of the Act and these Articles, to invest and deal with the moneys of the Company not immediately required for the purpose thereof in or upon such security (not being shares in this Company) or without security and in such manner as it may think fit and from time to time to vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name.

15) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur, any personal liability for the benefit of the Company, such mortgages of the Company's property (present and future) as it thinks fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed upon.

16) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the Company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company.

17) To provide for the welfare of employees or ex-employees of the Company and the wives and families or the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pension, gratuity, annuities, allowances, bonuses or other payments or by creating and from time to time subscribing or contributing to, provident

fund and other associations institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction or recreations, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit.

18) To subscribe, incur expenditure or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or any other institutions or objects which shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or of public and general utility or otherwise.

19) Before recommending any dividend, to set aside, out of the profits of the Company, such sums as it may think proper for depreciation or to a depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies to repay debentures or for debenture-stock or for special dividends or for equalizing dividends or for repairing, improving, extending and maintaining any of the property of the Company and for such other purposes (including the purposes referred to in the last two preceding clauses) as the Board of Directors, may in its absolute discretion think conducive to the interest of the Company and subject to the provisions of the Act to invest the several sums so set aside or so much thereof as is required to be invested, upon such investments (other than shares of this Company) as it may think fit and from time to time deal with and vary such investments and dispose off and apply and expend all or any part the for the benefit of the Company, in such manner & for such purposes as the Board of Directors in its absolute discretion think conducive to the interest of the Company notwithstanding that the matters to which the Board of Directors applies or upon which it expends the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the general reserve fund into such special funds as the Board of Directors may think fit with full power to transfer the whole or any portion of a reserve fund or division of reserve fund to another reserve fund and with full power to employ the asset constituting all or any of the above funds including the depreciation fund in the business of the Company or in the purchase or repayment of debentures or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board of Directors at its discretion to pay or allow to the credit of such funds, interest at such rate as the Board of Directors may think proper.

20) To pay and charge to the capital account of the Company any commission or interest lawfully payable under the provisions of the Act and of the provision contained in these presents.

21) From time to time make, vary and repeal by-laws for regulation of the business of the Company, its officers and servants.

22) To redeem redeemable preference shares.

23) Subject to provisions of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company to enter in to all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient.

24) To undertake any branch or kind of business which the company is expressly or by implication authorized to undertake at such time or times as it shall think fit and to keep in abeyance any such branch or kind of business even though it may have been actually commenced or not, so long as the Board may deem it expedient not to commence or proceed with such branch or kind of business.

APPOINTMENT OF INDEPENDENT DIRECTOR

Pursuant to Section 149 and rules as may be applicable and subject to the provisions of Schedule IV the company shall appoint such number of independent directors from time to time as may be determined by the Central Government.

Every independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, give a declaration that he meets the criteria of independence.

Notwithstanding anything contained in any other provision of this Act, but subject to the provisions of sections 197 and 198, an independent director shall not be entitled to any stock option and may receive remuneration by way of fee provided under sub-section (5) of Section 197, reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

Subject to the provisions of section 152, an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

Notwithstanding anything contained in this Act -

- (i) an independent director;
- (ii) a non-executive director not being promoter or key managerial personnel,

shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

The provisions of sub-sections (6) and (7) of section 152 in respect of retirement of directors by rotation shall not be applicable to appointment of independent directors.

KEY MANAGERIAL PERSONNEL

APPOINTMENT OF KEY MANAGERIAL PERSONNEL

- (1) Subject to the provisions of Sections 203 and other applicable provisions, if any of the Act,

Company shall appoint whole-time key managerial personnel by means of a resolution of the Board containing the terms and conditions of the appointment including the remuneration.

- (2) A whole-time key managerial personnel shall not hold office in more than one company except in its subsidiary company at the same time:

Provided that nothing contained in this sub-clause shall disentitle a key managerial personnel from being a director of any company with the permission of the Board.

Provided further that whole-time key managerial personnel holding office in more than one company at the same time on the date of commencement of this Act, shall, within a period of six months from such commencement, choose one company, in which he wishes to continue to hold the office of key managerial personnel.

Provided also that a company may appoint or employ a person as its managing director, if he is the managing director or manager of one, and of not more than one, other company and such appointment or employment is made or approved by a resolution passed at a meeting of the Board with the consent of all the directors present at the meeting and of which meeting, and of the resolution to be moved thereat, specific notice has been given to all the directors then in India.

- (3) If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy.

REMUNERATION OF KEY MANAGERIAL PERSONNEL

The remuneration of Key Managerial Personnel shall from time to time, be fixed by the Board and may be

by way of salary or commission or participation in profits or by any or all of these modes or in any other form and shall be subject to the limitations prescribed in Schedule V along with Sections 196 and 197 of the Act.

DIRECTORS MAY CONFER POWER ON MANAGING DIRECTOR

Subject to the provisions of the Act and to the restrictions contained in these Articles, Board may from time to time entrust to and confer upon a Managing Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient.

CERTAIN PERSONS NOT TO BE APPOINTED AS MANAGING DIRECTORS

No company shall appoint or continue the employment of any person as Managing Director, Whole-time Director or Manager who -

- (a) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

- (b) is an undischarged insolvent or has at any time been adjudged as an insolvent;
- (c) has at any time suspended payment to his creditors or makes, or has at anytime made, a composition with them; or
- (d) has at any time been convicted by a court of an offence and sentenced for a period of more than six months.

A person shall not be eligible for appointment as a director of a company if such person suffers any of the disqualifications provided under Section 164 of the Act.

Special to any contract between him and the Company, a Managing or Whole time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Directors to retire but (subject to the provision of any contract between him and the Company), he shall be subject to the same provisions as to resignation and removal as the Directors of the Company and shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.

The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel namely:

- a) Managing Director and
- b) Manager.

and shall duly observe the provisions of Section 196 of the Act regarding prohibition of simultaneous appointment of different categories of managerial personnel therein referred to.

THE SECRETARY

The Board may, from time to time, appoint and at its discretion, remove any individual (hereinafter called the Secretary) to perform any function which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the Secretary by the Board. The Board may also at any time appoint some persons (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall conform to the provisions of Section 203 of the Act.

THE SEAL, ITS CUSTODY AND USE

The Board of Directors shall provide a Common Seal for the purpose of the Company and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and shall provide for the safe custody of the Seal for time being and the Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors and except in the presence of at least two Director or such other person as the Directors may appoint for the purpose and the Directors or other persons aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

MINUTES

(1) The Company shall cause minutes of all proceedings of every General Meeting and all proceedings of every meeting of its Board of /directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for that, their pages consecutively numbered.

(2) Each page of every such book shall be initialed or signed and the last Page of the record of proceedings of each meeting in such books shall be dated and signed.

(a) in the case of minutes of proceedings of a meeting of the Board or of a committee thereof, by the Chairman of the next succeeding meeting.

In the case of minutes of proceedings of a General Meeting, by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorized by the Board for the purpose.

Minutes of proceedings of every General Meeting and of the proceedings of every meeting of the Board kept in accordance with the provisions of Article 191 above, shall be evidence of the proceedings recorded therein.

Where minutes of the proceedings of every General Meeting of the Company or of any meeting of the Board or of a Committee of the Board have been kept in accordance with the provisions of Article 192 above then, until the contrary is proved the meeting shall be deemed to have been duly called and held and all proceedings thereat to have duly taken place and in particular all appointments of Directors or liquidators made at the meeting shall be deemed to be valid.

(1) The books containing the minutes of the proceedings of any General Meeting of the Company shall be kept at the registered office of the Company and shall be open for inspection of members without charge between the hours 2 p.m. and 5 p.m. during business hours on each working day except Saturday

- (2) Any member of the Company shall be entitled to be furnished, within seven days after he has made a request in writing in that behalf to the Company, with a copy of any minutes referred above on payment of such sum not exceeding Ten Rupees for every page thereof required to be copied.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of different meetings shall contain a fair and correct summary of proceedings thereat.
- (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
- (6) In the case of a meeting of the Board of Directors or of a committee of the Board, the minutes shall also contain -
- (a) the names of the directors present at the meeting; and
- (b) in the case of each resolution passed at the meeting, the names of the directors, if any, dissenting from, or not concurring with the resolution.
- (7) Nothing contained in clauses (1) to (6) there shall not be included in the minutes, any matter which, in the opinion of the Chairman of the meeting -
- (a) is or could reasonably be regarded as defamatory of any person; or
- (b) is irrelevant or immaterial to the proceedings; or
- (c) is detrimental to the interests of the company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matters in the minutes on the grounds specified in this clause.

PRESUMPTIONS TO BE DRAWN WHERE MINUTES DULY DRAWN AND SIGNED

Where minutes of the proceedings of any general meeting of the Company or of any meeting of its Board of Directors or a Committee of the Board have been kept in accordance with the provisions of Section 118 of the act then, until the contrary is proved, the meeting shall be deemed to have been duly called and held, and all proceedings thereat to have duly taken place and in particular all appointments of directors of Liquidators made at the meeting shall be deemed to be valid and the minutes shall be evidence of the proceedings recorded therein.

DIVIDENDS

(1) No dividend shall be declared or paid by a company for any financial year except -

- (a) out of the profits of the company for that year arrived at after providing for depreciation or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or
- (b) out of money provided by the Central Government or a State Government for the payment of dividend by the company in pursuance of a guarantee given by that Government:

Provided that a company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

Provided further that where, owing to inadequacy or absence of profits in any financial year, any company proposes to declare dividend out of the accumulated profits earned by it in previous years and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with such rules as may be determined by Central Government in this behalf:

Provided also that no dividend shall be declared or paid by a company from its reserves other than free reserves.

- (2) The depreciation shall be provided in accordance with the provisions of Schedule II of the Act.
- (3) The Board of Directors of a company may declare interim dividend during any financial year out of the surplus in the profit and loss account and out of profits of the financial year in which such interim dividend is sought to be declared:

Provided that in case the company has incurred loss during the current financial year up to the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

(4) The amount of the dividend, including interim dividend, shall be deposited in a scheduled bank in a separate account within five days from the date of declaration of such dividend.

(5) No dividend shall be paid by a company in respect of any share therein except to the registered shareholder of such share or to his order or to his banker and shall not be payable except in cash:

Provided that nothing in this sub-section shall be deemed to prohibit the capitalization of profits or reserves of a company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company:

Provided further that any dividend payable in cash may be paid by cheque or warrantor in any electronic mode to the shareholder entitled to the payment of the dividend.

(6) A company which fails to comply with the provisions of sections 73 and 74 shall not, so long as such failure continues, declare any dividend on its equity shares.

DIVIDEND TO JOINT HOLDERS

Any one of several persons who are registered as joint holders of any Shares may give effectual receipts for all dividends or bonus and payments on account of dividends in respect of such Shares.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

No amount paid or credited as paid on a share in advance of calls shall be treated as paid up on the share.

APPORTIONMENT OF DIVIDENDS

All dividends shall be apportioned and paid proportionate to the amounts paid or credited as paid on the shares, during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

DECLARATION OF DIVIDENDS

The Company in General Meeting may, subject to the provisions of Section 123 of the Act, declare a dividend to be paid to the members according to their right and interests in the profits and may fix the time for payment.

RESTRICTION ON AMOUNT OF DIVIDEND

No larger dividend shall be declared than is recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

DIVIDEND OUT OF PROFITS ONLY AND NOT TO CARRY INTEREST

(1) No dividend shall be payable except out of the profits of the Company arrived at as stated in Section 123 of the Act.

(2) The declaration of the Board as to the amount of the net profits of the Company shall be conclusive.

INTERIM DIVIDENDS

The Board of Directors may from time to time pay the members such interim dividends as appears to it to be justified by the profits of the Company in accordance with Section 123 of the Act.

DEBTS MAY BE DEDUCTED

The Board may retain any dividends payable on shares on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

DIVIDEND AND CALL TOGETHER

Any General Meeting declaring a dividend may make a call on the members of such amount as the meeting fixes but so that the call on each members shall not exceed the dividend payable on him and so that the call may be made payable at the same time as the dividend and dividend may; if so arranged between the Company and the member, be set off against the call.

EFFECT OF TRANSFER

Right to dividend, right shares and bonus shares shall be held in abeyance pending registration of transfer of shares in conformity with the provision of Section 126 of the Act.

RETENTION IN CERTAIN CASES

The Board may retain the dividends payable upon shares in respect of which any person is, under Articles entitled to become a Member, which any person under that Article is entitled to transfer, until such person shall become a member in respect of such shares or shall duly transfer the same.

NO MEMBER TO RECEIVE INTEREST OR DIVIDEND WHILST INDEBTED TO THE COMPANY AND COMPANY'S RIGHT TO REIMBURSEMENT THERE OUT

No member shall be entitled to receive payment of an interest or dividend in respect of his own share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares otherwise howsoever either alone or jointly with any other person or persons and the Board may deduct from the interest or dividend payable to any shareholder all sums or money so due from him to the Company.

PAYMENT BY POST

Any dividend payable in cash may be paid by cheque or warrant sent through the post directly to the registered address of the shareholder entitled to the payment of the dividend or in the case of joint shareholders to the registered address of that one whose name stands first on the Register of Members in respect of the joint shareholding or to such persons and to such address as the shareholders of the joint shareholders may in writing direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent and the Company shall not be responsible or liable for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant of the fraudulent recovery thereof by any other means. The Company may, if it thinks fit, call upon the shareholders when applying for dividends or bonus to produce their share certificates at the registered office or other place where the payment of dividend is to be made.

DIVIDEND TO BE PAID WITHIN THIRTY DAYS

The Company shall pay dividend or send the warrant in respect thereof to the shareholder entitled to the payment of the dividend within Thirty days from the date of the declaration of the dividend unless:

- (a) the dividend could not be paid by reason of the operation of any law or
- (b) a shareholder has given directions to the Company regarding the payment of dividend and these directions cannot be complied with or
- (c) there is dispute, regarding the right to receive the dividend or
- (d) the dividend has been lawfully adjusted by the Company against any sum due to it from the shareholder or
- (e) for any other reason, the failure to pay the dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.

UNPAID OR UNCLAIMED DIVIDEND

(1) Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to the payment of the dividend, the company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account.

(2) The company shall, within a period of ninety days of making any transfer of an amount under sub-section (1) to the Unpaid Dividend Account, prepare a statement containing the names, their last known addresses and the unpaid dividend to be paid to each person and place it on the website of the company, if any, and also on any other website approved by the Central Government for this purpose, in such form, manner and other particulars as may be determined by central government.

(3) If any default is made in transferring the total amount referred to in sub-section (1) or any part thereof to the Unpaid Dividend Account of the company, it shall pay, from the date of such default, interest on so much of the amount as has not been transferred to the said account, at the rate of twelve per cent per annum and the interest accruing on such amount shall endure to the benefit of the members of the company in proportion to the amount remaining unpaid to them.

(4) Any person claiming to be entitled to any money transferred under sub-section (1) to the Unpaid Dividend Account of the company may apply to the company for payment of the money claimed.

(5) Any money transferred to the Unpaid Dividend Account of a company in pursuance of this section which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the company along with interest accrued, if any, thereon to the Fund established under sub-section (1) of section 125 and the company shall send a statement in the prescribed form of the details of such transfer to the authority which administers the said Fund and that authority shall issue a receipt to the company as evidence of such transfer.

(6) All shares in respect of which unpaid or unclaimed dividend has been transferred under sub-section (5) shall also be transferred by the company in the name of Investor Education and Protection Fund along with a statement containing such details as may be determined by central government and that there shall be no forfeiture of unclaimed dividends before the claim becomes barred by law:

Provided that any claimant of shares transferred above shall be entitled to claim the transfer of shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be determined by Central Government.

CAPITALIZATION OF RESERVES

(a) Any General Meeting may, upon the recommendation of the Board resolve that any moneys,

investments or other assets forming part of the undistributed profits of the Company standing to the credit of any of the profit and loss account or any capital redemption reserve fund or in hands of the Company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund shall not be paid in cash but shall be applied subject to the provisions contained in clause (b) hereof on behalf of such shareholders in full or towards:

Paying either at par or at such premium as the resolution may provide any unissued shares or debentures or debenture-stock of the Company which shall be allotted, distributed and credited as fully paid up to and amongst such members in the proportions aforesaid; or

(2) Paying up any amounts for the time being remaining unpaid on any shares or debentures or debenture-stock held by such members respectively; or

(3) Paying up partly in the way specified in sub-clause (1) and partly in that specified in sub-clause (2) and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.

(b) (1) Any moneys, investments or other assets representing premium received on the issue of shares and standing to the credit of share premium account; and

(2) If the Company shall have redeemed any redeemable preference shares, all or any part of any capital redemption fund arising from the redemption of such shares may, by resolution of the Company be applied only in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares to be issued to such members of the Company as the General Meeting may resolve upto an amount equal to the nominal amount of the shares so issued.

(c) Any General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company or any investments representing the same or any other undistributed profits of the Company not subject to charge for income-tax be distributed amongst the members on the footing that they receive the same as capital.

(d) For the purpose of giving effect to any such resolution, the Board may settle any difficulty which may arise in regard to the distribution of payment as aforesaid as it thinks expedient and in particular it may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, share, debentures, debenture-stock, bonds or other obligation in trustees upon such trust for the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement for acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as it may think fit.

(e) If and whenever any share becomes held by any member in fraction, the Board may subject to the provisions of the Act and these Articles and to the directions of the Company in General Meeting, if any, sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and amongst the members entitled to such shares in due proportion the net proceeds of the sale thereof, for the purpose of giving effect to any such sale, the Board may authorize any person to transfer the shares sold to the purchaser thereof, comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or of invalidity in the proceedings with reference to the sale.

(f) Where required; a proper contract shall be delivered to the Registrar for registration in accordance with Section 39 of the Companies Act 2013 and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund and such appointment shall be effective.

FRACTIONAL CERTIFICATES

- (1) Whenever such a resolution as aforesaid shall have been passed, the Board shall;
 - (a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby and all allotments and issues of fully paid Shares and
 - (b) Generally do all acts and things required to give effect thereto.
- (2) The Board shall have full power:
 - (a) to make such provision by the issue of fractional cash certificate or by payment in cash or otherwise as it thinks fit, in the case of Shares becoming distributable in fractions, also
 - (b) to authorize any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalization or (as the case may require) for the payment by the Company on their behalf by the application thereof of the respective proportions of the profits resolved to be capitalised of the amounts remaining unpaid on their existing Shares.
- (3) Any agreement made under such authority shall be effective and binding on all such Members.
- (4) that for the purpose of giving effect to any resolution, under the preceding paragraph of this Article, the Directors may give such directions as may be necessary and settle any question or difficulties that may arise in regard to any issue including distribution of new Shares and fractional certificates as they think fit.

DIVIDEND IN CASH

No dividends shall be payable except in cash, provided that nothing in this Article shall be deemed to prohibit the capitalization of the profits or reserves of the Company for the purpose of issuing fully paid up bonus Shares or paying up any amount for the time being unpaid on any Shares held by Members of the Company.

The Board shall give effect to the resolution passed by the Company in pursuance of all the above Articles.

BOOKS OF ACCOUNTS

BOOKS OF ACCOUNTS TO BE KEPT

The Company shall cause to be kept proper books of account with respect to:

all sums of money received and expended by a company and matters in relation to which the receipts and expenditure take place;

all sales and purchases of goods and services by the company;

the assets and liabilities of the company; and

the items of cost as may be determined by Central Government under section 148 in the case of a company which belongs to any class of companies specified under that section;

BOOKS WHERE TO BE KEPT AND INSPECTION

(1) Every company shall prepare and keep at its registered office books of account and other relevant books and papers and financial statement for every financial year which give a true and fair view of the state of the affairs of the company, including that of its branch office or offices, if any, and explain the transactions effected both at the registered office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.

All or any of the books of account aforesaid and other relevant papers may be kept at such other place in India as the Board of Directors may decide and where such a decision is taken, the company shall, within seven days thereof, file with the Registrar a notice in writing giving the full address of that other place. The company may keep such books of account or other relevant papers in electronic mode in such manner as may be determined by Central Government.

(2) Where a company has a branch office in India or outside India, it shall be deemed to have complied with the provisions of sub-clause (1), if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns periodically are sent by the branch office to the company at its registered office or the other place referred to in sub-clause (1).

(3) The books of account of every company relating to a period of not less than eight financial years immediately preceding a financial year, or where the company had been in existence for a period less than eight years, in respect of all the preceding years together with the vouchers relevant to any entry in such books of account shall be kept in good order.

(4) The Company may keep such books of accounts or other relevant papers in electronic mode in such manner as may be prescribed.

INSPECTION BY MEMBERS

The Board of Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations accounts the and books and the documents of the Company or any of them shall be open to the inspection of the members and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred statute or authorised by the Board of Directors or by a resolution of the Company in General Meeting.

TRANSFER BOOKS AND REGISTER OF MEMBERS WHEN CLOSED

The Board shall have power on giving not less than seven days' previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated, to close the Transfer books, the Register of members or Register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

If the transfer books have not been closed at any time during a year, the Company shall at least once a year, close the books at the time of its Annual General Meeting. The minimum time gap between the two book closures and/or record dates would be at least 30 (thirty) days.

STATEMENT OF ACCOUNTS TO BE LAID IN GENERAL MEETING

The Board of Directors shall from time to time, in accordance with Sections 129 and 134 of the Act, cause to be prepared and to be laid before the Company in General Meeting, such Balance Sheets, Profits & Loss Accounts and reports as are required by these Sections.

FINANCIAL STATEMENT

Subject to the provisions of Section 129 of the Act, every Financial Statement of the Company shall be in the forms set out in Schedule II of the Act, or as near there to as circumstances admit. So long as the Company is a holding Company having a subsidiary the Company shall conform to Section 129 and other applicable provisions of the Act.

If in the opinion of the Board, any of the current assets of the Company have not a value on realization in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

AUTHENTICATION OF FINANCIAL STATEMENT

The Financial Statements shall be signed in accordance with the provisions of Section 134 of the said Act. The Financial Statement, shall be approved by the Board of Directors before they are submitted to the auditors for report thereon. Profit and Loss Accounts to be Annexed and Auditors' Report to be attached to the Balance Sheet. The Profit and Loss Account shall be annexed to the Balance and the Auditors' Report including the Auditor's separate, special or supplementary report, if any, shall be attached thereon.

BOARD'S REPORT TO BE ATTACHED TO FINANCIAL STATEMENT

Every Financial Statement laid before the Company in General Meeting shall have attached to it a Report by the Board of Directors with respect to the State of the Company's affairs and such other matters as prescribed under Section 134 of the Act and the Rules made thereunder. The Report shall so far as it is material for the appreciation of the state of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries deal with any changes which have occurred during the financial year in the nature of the Company or Company's business, or of the Company's subsidiaries or in the nature of the business in which the Company has an interest. The board shall also give the fullest information and explanation in its Report or in cases falling under the proviso to Section 129 of the Act in an addendum to that Report, on every reservation, qualification or adverse remark contained in the Auditor's Report. The Board's Report and addendum (if any) thereto shall be signed by its Chairman if he is authorized in that behalf by the Board; and where he is not so authorized shall be signed by such number of Directors as are required to sign the Financial Statements of the Company by virtue of Article 229. Every Financial Statement of the Company when audited and approved and adopted by the members in the annual general meeting shall be conclusive except as regards in matters in respect of which modifications are made thereto as may from time to time be considered necessary by the Board of Directors and or considered proper by reason of any provisions of relevant applicable statutes and approved by the shareholders at a subsequent general meeting.

RIGHT OF MEMBERS TO COPIES OF FINANCIAL STATEMENT AND AUDITOR'S REPORT

A copy of every Financial Statement and the auditor's report and every other document required by law to be annexed or attached, as the case may be; to the balance sheet which is to be laid before the Company in General Meeting, shall be made available for inspection at the Registered Office of the Company during the working hours for a period of 21 days before the date of the meeting. A statement containing the salient features of such documents in the prescribed form or copies of the documents aforesaid as may be permitted by Section 136 of the Act and as the Company may deem fit, will be sent to every member of the Company and to every Trustees for the holders of any debentures issued by the Company, not less than 21 days before the meeting as laid down in Section 136 of the Act. Provided that it shall not be necessary to send copies of the documents aforesaid to:

- (a) to a member or holder of the debenture of the Company who is not entitled to have the notice of general meeting of the Company sent to him and whose address the Company is unaware;
- (b) to more than one of the joint holder of any shares or debentures some of whom are and some of whom are not entitled to have such notice sent to them, by those who are not so entitled.

A COPY OF THE FINANCIAL STATEMENT ETC. TO BE FILED WITH REGISTRAR

After the Financial Statements have been laid before the Company at the annual general Meeting, a copy of the Financial Statement duly signed as provided under Section 137 of the Act together with a copy of all documents which are required to be annexed there shall be filed with the Registrar so far as the same be applicable to the Company.

RIGHT OF MEMBER TO COPIES OF AUDITED FINANCIAL STATEMENT

- (1) Without prejudice to the provisions of Section 101, a copy of the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements, which are to be laid before a company in its general meeting, shall be sent to every member of the company, to every trustee for the debenture-holder of any debentures issued by the company, and to all persons other than such member or trustee, being the person so entitled, not less than twenty-one days before the date of the meeting.

The provisions of this clause shall be deemed to be complied with, if the copies of the documents are made available for inspection at its registered office during working hours for a period of twenty-one days before the date of the meeting and a statement containing the salient features of such documents in the prescribed form or copies of the documents, as the company may deem fit, is sent to every member of the company and to every trustee for the holders of any debentures issued by the company not less than twenty-one days before the date of the meeting unless the shareholders ask for full financial statements.

The Central Government may prescribe the manner of circulation of financial statements of companies having such net worth and turnover as may be determined by Central Government and company shall also place its financial statements including consolidated financial statements, if any, and all other documents required to be attached thereto, on its website, which is maintained by or on behalf of the company.

Provided also that every subsidiary or subsidiaries shall -

- (a) place separate audited accounts in respect of each of its subsidiary on its website, if any;
 - (b) provide a copy of separate audited financial statements in respect of each of its subsidiary, to any shareholder of the company who asks for it.
- (2) A company shall allow every member or trustee of the holder of any debentures issued by the company to inspect the documents stated under sub-clause (1) at its registered office during business hours.

ACCOUNTS TO BE AUDITED

- (1) Once at least in every year the accounts of the Company shall be examined by one or more

Auditors who shall report to the shareholders as to whether the Balance Sheet reflects a true and fair view of the state of affairs of the Company as at that date and the Profit and Loss Account discloses a true and fair view of the profit and loss incurred by the Company during the year under review.

- (2) The appointment, remuneration, rights, powers & duties of the Company's Auditor shall be regulated in accordance with the provision of the Act.

APPOINTMENT OF AUDITORS

- (1) Auditors shall be appointed and their qualifications, rights and duties regulated in accordance with Section 139 to 143, 145 and 146 of the Act and rules made thereunder.

(2) The Company shall, at the first annual general meeting, appoint an individual or a firm as an auditor who shall hold office from the conclusion of that meeting till the conclusion of its sixth annual general meeting and thereafter till the conclusion of every sixth meeting and the manner and procedure of selection of auditors by the members of the company at such meeting shall be according to the provisions of the Act.

Provided that the company shall place the matter relating to such appointment for ratification by members at every annual general meeting.

Provided further that before such appointment is made, the written consent of the auditor to such appointment, and a certificate from him or it that the appointment, if made, shall be in accordance with the conditions as may be determined by central government, shall be obtained from the auditor:

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in Section 141:

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the Registrar within fifteen days of the meeting in which the auditor is appointed.

(3) At any Annual General Meeting a retiring Auditor by whatsoever authority appointed shall be reappointed unless:

(a) he is not disqualified for re-appointment;

(b) he has not given the company a notice in writing of his unwillingness to be re-appointed; and

(c) a special resolution has not been passed at that meeting appointing some other auditor or providing expressly that he shall not be re-appointed.

(4) The company shall not appoint or reappoint -

(a) an individual as auditor for more than one term of five consecutive years; and

(b) an audit firm as auditor for more than two terms of five consecutive years:

Provided that—

(i) an individual auditor who has completed his term under clause (a) shall not be eligible for re-appointment as auditor in the same company for five years from the completion of his term.

(ii) an audit firm which has completed its term under clause (b), shall not be eligible for re-appointment as auditor in the same company for five years from the completion of such term.

(5) Where at any annual general meeting, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company.

POWER OF BOARD TO MODIFY FINAL ACCOUNTS

Every Balance Sheet and Profit and Loss Account of the Company when audited and adopted by the Company in General Meeting shall be conclusive.

DOCUMENTS AND NOTICE

SERVICES OF DOCUMENTS ON MEMBER BY COMPANY

Save as provided in this Act or the rules made thereunder for filing of documents with the Registrar in

electronic mode, a document may be served on Registrar or any member by sending it to him by post or by registered post or by speed post or by courier or by delivering at his office or address, or by such electronic or other mode as may be determined by Central Government:

Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the company in its annual general meeting.

SERVICE OF DOCUMENTS ON COMPANY

A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by registered post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be determined by central government:

Provided that where securities are held with a depository, the records of the beneficial ownership may be served by such depository on the company by means of electronic or other mode.

“Service of documents on the Company”

Where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or other mode in accordance with the Act and rules made thereunder.

AUTHENTICATION OF DOCUMENTS AND PROCEEDINGS

Save as otherwise expressly provided in the Act, the rules made thereunder and these Articles, a document or proceeding requiring authentication by a company; or contracts made by or on behalf of a company, may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

REGISTERS AND DOCUMENTS

REGISTERS AND DOCUMENTS TO BE MAINTAINED BY THE COMPANY

The Company shall keep and maintain registers, books and documents required by the Act or these Articles, including the following:

- (a) Register of investments made by the Company but not held in its own name, as required by Section 187(3) of the Act.
- (b) Register of mortgages and charges as required by Section 85 of the Act.
- (c) Register and index of Member and debenture holders as required by Section 88 of the Act.
- (d) Register of contracts, with companies and firms in which Directors are interested as required by Section 189 of the Act.
- (e) Register of Directors and key managerial personnel and their shareholding under Section 170 of the Act.
- (f) Register of loans, guarantee, security and acquisition made by the company under Section 186 (9) of the Act.
- (g) Copies of annual returns prepared under Section 92 of the Act together with the copies of certificates and documents required to be annexed thereto.

MAINTENANCE AND INSPECTION OF DOCUMENTS IN ELECTRONIC FORM

Without prejudice to any other provisions of this Act, any document, record, register, minutes, etc., —

- (a) required to be kept by a company; or
- (b) allowed to be inspected or copies to be given to any person by a company under this Act, may be kept or inspected or copies given, as the case may be, in electronic form in such form and manner as may be determined by the Central Government.

INDEMNITY

Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

WINDING UP

DISTRIBUTION OF ASSETS

- (a) If the Company shall be wound up, whether voluntarily or otherwise, the Liquidator may, with the sanction of a Special Resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them, as the liquidator, with the like sanction, shall think fit.
- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributions (except where unalterably fixed by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories, shall be determined on any contributory who would be prejudicial thereby shall have a right to dissent and ancillary rights as if such determination were a Special Resolution passed pursuant to Section 319 of the Act.

(c) In case any Shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said Shares may within ten days after the passing of the Special Resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall, if practicable act accordingly.

RIGHT OF SHAREHOLDERS IN CASE OF SALE

A Special Resolution sanctioning a sale to any other Company duly passed pursuant to provisions of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid determine that any Shares or other consideration receivable by the liquidator be distributed against the Members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the Members subject to the rights of dissent and consequential rights conferred by the said sanction.

SECURITY CLAUSE

No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises or works of the Company without the permission of the Board or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Board, it would be inexpedient in the interest of the Company to disclose Secrecy undertaking.

Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee agents, officer, servant, accountant or other person employed in the business of the Company shall, when required, sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Company with the customers and the state of accounts with individual and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Board or by any meeting of the shareholders, if any or by a Court of Law the person to whom matters relate and except so far as may be necessary in order to comply with any of the provision in these present contained.

KNOWLEDGE IMPLIED

Each member of the Company, present and future, is to be deemed to join the Company with full knowledge of all the contents of these presents.

SECTION X – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered into 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 Prospectus) which are or may be deemed material will be attached to the copy of the Prospectus which will be filed with the Registrar of Companies for registration. Copies of the contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Shop-151, Silver Stone Arcade, Nr. Kantheriya Hanuman Temple, OP-34/A+B+C+D, FP-50, Singanpore Causway Road, Surat - 395004, Gujarat, India, between 10.00 a.m. and 5.00 p.m. (IST) on all Working Days from the date of the Prospectus until the Issue Closing Date.

Any of the contracts or documents mentioned in this Draft Prospectus 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 applicable law.

A) Material contracts for the Issue

1. Issue Agreement dated July 28, 2023 between our Company and the Lead Manager.
2. Registrar Agreement dated August 01, 2023 between our Company and Registrar to the Issue.
3. Underwriting Agreement dated [●], 2023 amongst our Company, the Underwriter and the Lead Manager.
4. Market Making Agreement dated [●], 2023 amongst our Company, Market Maker and the Lead Manager.
5. Bankers to the Issue Agreement dated [●], 2023 amongst our Company, the Lead Manager, Banker(s) to the Issue and the Registrar to the Issue.

B) Material documents for the Issue

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated June 10, 2023 in relation to the Issue and other related matters.
3. Shareholders' resolution dated July 07, 2023 in relation to the Issue and other related matters.
4. Consents of our Promoter, Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Peer Reviewed Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue, Underwriter to the Issue, Bankers to our Company, Market Maker and Banker to the Issue to include their names in Draft Prospectus and to act in their respective capacities.
5. Peer Review Auditors Report dated August 04, 2023 on Restated Financial Statements of our Company for the Financial Year ended March 31, 2023, Financial Year ended March 31, 2022 and Financial Year ended March 31, 2021.
6. The Report dated July 13, 2023 from the Peer Reviewed Auditors of our Company, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Prospectus.
7. Tripartite agreement dated March 31, 2023 amongst our Company, Central Depository Services (India) Limited and Registrar to the Issue.
8. Tripartite agreement dated December 22, 2023 amongst our Company, National Securities Depository Limited and Registrar to the Issue.
9. Copy of approval from NSE vide letter dated [●], 2023 to use the name of NSE in the Draft Prospectus/ this Prospectus for listing of Equity Shares on Emerge Platform of NSE India.
10. Due diligence certificate shall be submitted to SEBI by Lead Manager to the Issue.
11. Copies of the tax audit report of our Company for the Financial Year ended March 31, 2022, Financial Year ended March 31, 2021 and Financial Year ended March 31, 2020.
12. Board Resolution dated August 14, 2023 for the approval of this Draft Prospectus and dated [●], 2023 for the approval of the Prospectus

Any of the contracts or documents mentioned in this Draft Prospectus 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 Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or the rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements in this Draft Prospectus are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

| NAME OF DIRECTOR AND DIN | DESIGNATION | SIGNATURE |
|--|------------------------------------|-----------|
| Manish Patel DIN: 07840184 | Chairman and Managing Director | Sd/- |
| Piyush Patel DIN: 07838311 | Whole-Time Director | Sd/- |
| Mansukhbhai Patel DIN: 07838306 | Whole-Time Director | Sd/- |
| Ajaykumar Baldha DIN: 08527085 | Non-Executive Director | Sd/- |
| Bipinkumar Hirpara DIN: 08249274 | Non-Executive Independent Director | Sd/- |
| Hitisha Chanchad DIN: 10173778 | Non-Executive Independent Director | Sd/- |

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

| | |
|--|------|
| Unnatiben Mistry PAN: CALPM5611G | Sd/- |
|--|------|

Date: August 14, 2023

Place: Surat, Gujarat