



## ADVIK CAPITAL LIMITED


Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017.

**Registered Office:** Plot No. 84, Khasra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi, North West  
Delhi New Delhi - 110081

**Contact person:** Rashika Gupta, Company Secretary and Compliance Officer

**Telephone:** +91 9289-1199-80, 81, 82 | **E-mail id:** advikcapital@gmail.com | **Website:** www.advikgroup.com

**Corporate Identity Number:** L65100DL1985PLC022505

<b>PROMOTERS OF OUR COMPANY: MR. VIRENDER KUMAR AGARWAL, MS. MANJU AGARWAL, MR. RISHAB KUMAR AGARWAL AND MR. SHAKUL KUMAR AGARWAL</b>		
<b>FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ADVIK CAPITAL LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY</b>		
<b>NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY</b>		
<p><b>ISSUE OF UP TO 17,43,19,680 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹1 EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹2.85 PER EQUITY SHARE [(INCLUDING A PREMIUM OF ₹ 1.85 PER EQUITY SHARE)] AGGREGATING TO ₹ 4968.11# LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 19 EQUITY SHARE FOR EVERY 5 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS FRIDAY, MARCH 11, 2022 (THE "ISSUE"). FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" BEGINNING ON PAGE 111 OF THIS LETTER OF OFFER.</b></p> <p><i># Assuming full subscription.</i></p>		
<b>GENERAL RISKS</b>		
<p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 17 of this Letter of Offer before making an investment in this Issue.</p>		
<b>ISSUER'S ABSOLUTE RESPONSIBILITY</b>		
<p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.</p>		
<b>LISTING</b>		
<p>The existing Equity Shares are listed on BSE Limited ("BSE"). Our Company has received 'in-principle' approvals from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letters dated February 25, 2022. Our Company will also make applications to the Stock Exchange to obtain their trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.</p>		
<b>REGISTRAR TO THE ISSUE</b>		
		
<p><b>Skyline Financial Services Private Limited</b> D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Telephone: 011-40450193/97 Email: admin@skylinerta.com, Website: www.skylinerta.com Investor grievance e-mail: investors@skylinerta.com Contact Person: Ms. Rati Gupta SEBI Registration No.: INR000003241 Validity of Registration: Permanent</p>		
<b>ISSUE PROGRAMME</b>		
<b>ISSUE OPENS ON</b>	<b>LAST DATE FOR ON MARKET RENUNCIATIONS*</b>	<b>ISSUE CLOSES ON<sup>†</sup></b>
<b>MONDAY, MARCH 21, 2022</b>	<b>FRIDAY, APRIL 1, 2022</b>	<b>THURSDAY, APRIL 7, 2022</b>

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

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

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## TABLE OF CONTENT

SECTION I - GENERAL .....	1
DEFINITIONS AND ABBREVIATIONS .....	1
NO OFFER IN THE UNITED STATES .....	9
PRESENTATION OF FINANCIAL AND OTHER INFORMATION .....	10
FORWARD LOOKING STATEMENTS.....	12
SUMMARY OF LETTER OF OFFER.....	14
SECTION II - RISK FACTORS.....	17
SECTION III - INTRODUCTION .....	35
THE ISSUE.....	35
GENERAL INFORMATION .....	36
CAPITAL STRUCTURE .....	40
OBJECTS OF THE ISSUE.....	42
STATEMENT OF TAX BENEFITS .....	45
SECTION IV – ABOUT THE COMPANY .....	47
INDUSTRY OVERVIEW .....	47
OUR BUSINESS .....	62
OUR MANAGEMENT .....	66
DIVIDEND POLICY.....	70
SECTION V – FINANCIAL INFORMATION .....	71
FINANCIAL STATEMENT .....	71
MATERIAL DEVELOPMENTS .....	97
ACCOUNTING RATIO .....	98
MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS.....	99
SECTION VI – LEGAL AND OTHER INFORMATION .....	102
OUTSTANDING LITIGATIONS AND DEFAULTS .....	102
GOVERNMENT AND OTHER STATUTORY APPROVALS .....	104
OTHER REGULATORY AND STATUTORY DISCLOSURES .....	105
SECTION VII – OFFERING INFORMATION .....	111
TERMS OF THE ISSUE .....	111
RESTRICTION ON THE PURCHASE AND RESALE.....	145
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	154
SECTION VIII- STATUTORY AND OTHER INFORMATION .....	155
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION .....	155
DECLARATION .....	156

## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

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

*References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 45 and 71, respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.*

#### Company and Industry Related Terms

Term	Description
"Our Company" or "the Company" or "the Issuer"	Advik Capital Limited incorporated under the Companies Act 1956, with its Registered and Corporate Office at Plot No-84, Khasra No.143/84, Ground Floor Extended Lal Dora, Kanjhawla, Delhi – 110 081
"Articles of Association" or "Articles"	The articles of association of our Company, as amended from time to time
Audited Financial Statements	The audited consolidated financial statements of our Company for the year ended March 31, 2021 which comprises the balance sheet as at March 31, 2021, the statement of profit and loss, including other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
"Board" or "Board of Directors"	The board of directors of our Company or a duly constituted committee thereof or its duly authorised individuals
Directors	Directors on the Board, as may be appointed from time to time
Equity Shareholders	Holder(s) of Equity Share(s), from time to time
Equity Shares	Equity shares of face value of ₹1 each of our Company
Independent Director	Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see " <b>Our Management</b> " beginning on page 66 of this Letter of Offer
Key Managerial Personnel	The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer.
Memorandum of Association or Memorandum	The memorandum of association of our Company, as amended from time to time
Promoters	The promoters of our Company, namely, Mr. Virender Kumar Agarwal, Ms. Manju Agarwal, Mr. Rishab Kumar Agarwal and Mr. Shakul Kumar Agarwal
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
"Registered and Corporate Office" or "Registered Office"	Plot No-84, Khasra No.143/84, Ground Floor Extended Lal Dora, Kanjhawla, Delhi-110081

<b>Term</b>	<b>Description</b>
Statutory Auditors	M/s Garg Anil & Co, New Delhi
Unaudited Financial Results	The limited review financial results of our Company as at and for the nine months period ended December 31, 2021 which comprises of the statement of profit and loss

### Issue Related Terms

<b>Term</b>	<b>Description</b>
"Abridged Letter of Offer" or "ALOF"	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013
"Allotment", "Allot" or "Allotted"	Allotment of Equity Shares pursuant to the Issue
Allotment Account(s)	The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013
Allotment Account Bank(s)	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Investor who has been or is 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 pursuant to this Issue
Allottee(s)	Person(s) who is Allotted Equity Shares pursuant to Allotment
"Applicant(s)" or "Investors"	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filling the online Application Form available on R-WAP (instituted only for resident Investors, in the event the Investors are not able to utilize the ASBA facility for making an Application despite their best efforts), to subscribe to the Equity Shares at the Issue Price
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application using the R-WAP or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price
"Application Supported by Blocked Amount" or "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in a the ASBA Account maintained with the SCSB
ASBA Account	Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application
ASBA Circulars	Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), the Allotment Account Bank(s) and the Refund Bank(s) to the Issue

Term	Description
Banker to the Issue Agreement	Agreement dated March 4, 2022 amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " <i>Terms of the Issue</i> " beginning on page 111 of this Letter of Offer
"Controlling Branches" or "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Registrar to the Issue and the Stock Exchanges, a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
Designated Stock Exchange	BSE Limited
"Draft Letter of Offer" or "DLOF"	The draft letter of offer filed with the Stock Exchange
Eligible Equity Shareholder (s)	Holder(s) of the Equity Shares of our Company as on the Record Date
Escrow Account(s)	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, <b>ICICI Bank</b>
IEPF	Investor Education and Protection Fund
Investor(s)	Eligible Equity Shareholder(s) of our Company on the Record Date, Friday, March 11, 2022 and the Renouncee(s)
ISIN	International securities identification number
Issue / Rights Issue	Issue of up to 17,43,19,680 Equity Shares of face value of ₹ 1 each of our Company for cash at a price of ₹ 2.85 per Rights Equity Share not exceeding ₹ 4968.11 lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 19 Rights Equity Shares for every 5 Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. Friday, March 11, 2022.
Issue Closing Date	Thursday, April 7, 2022
Issue Opening Date	Monday, March 21, 2022
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their Applications, in accordance with the SEBI ICDR Regulations
Issue Price	₹2.85 per Equity Share
"Issue Proceeds" or "Gross Proceeds"	Gross proceeds of the Issue
Issue Size	Amount aggregating up to ₹ 4,968.11 Lakhs <sup>#</sup> <sup>#</sup> <i>Assuming full subscription</i>
"Letter of Offer" or "LOF"	This letter of offer to be filed with the Stock Exchange and submitted with SEBI
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations

Term	Description
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, see " <i>Objects of the Issue</i> " beginning on page 42 of this Letter of Offer
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Friday, April 1, 2022
"Qualified Institutional Buyers" or "QIBs"	Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations
R-WAP	Registrar's web-based application platform accessible at [•], instituted as an optional mechanism in accordance with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 1, 2021 SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19,2021, SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24 2020; and SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, for accessing/ submitting online Application Forms by resident public Investors This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.
Record Date	Designated date for the purpose of determining the Eligible Equity Shareholders eligible to apply for Equity Shares, being <b>Friday, March 11, 2022</b>
Registrar to the Company	Skyline Financial Services Private Limited
"Registrar to the Issue" / "Registrar"	Skyline Financial Services Private Limited
Registrar Agreement	Agreement dated March 4, 2022 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on April 1, 2022 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date
Rights Entitlement(s)	Number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being 19 Equity Shares for every 5 Equity Shares held by an Eligible Equity Shareholder.
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP and on the website of our Company
SCSB(s)	Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a>
Stock Exchange	Stock exchange where the Equity Shares are presently listed, being BSE

<b>Term</b>	<b>Description</b>
Transfer Date	The date on which the Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange
Wilful Defaulter	Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI
Working Day(s)	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI

### **Conventional and General Terms/Abbreviations**

<b>Term</b>	<b>Description</b>
"₹", "Rs. ", "Rupees" or "INR"	Indian Rupees
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
AUM	Assets under management
AY	Assessment year
BSE	BSE Limited
CAGR	Compound annual growth rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate identity number
Companies Act, 1956	Erstwhile Companies Act, 1956 along with the rules made thereunder
Companies Act, 2013	Companies Act, 2013 along with the rules made thereunder
COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CrPC	Code of Criminal Procedure, 1973
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996
Depository Participant / DP	A depository participant as defined under the Depositories Act
DP ID	Depository participant's identification
DIN	Director Identification Number
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss
EGM	Extraordinary general meeting
EPS	Earnings per Equity Share
FCNR Account	Foreign currency non-resident account
FDI Circular 2020	Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India



<b>Term</b>	<b>Description</b>
FEMA	Foreign Exchange Management Act, 1999, together with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
"Financial Year", "Fiscal Year" or "Fiscal"	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI
GAAP	Generally accepted accounting principles
GDP	Gross domestic product
"GoI" or "Government"	Government of India
GST	Goods and Service Tax
HFC	Housing finance companies
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
Income Tax Act	Income-Tax Act, 1961
Ind AS	Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended
IFRS	International Financial Reporting Standards
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ITAT	Income Tax Appellate Tribunal
LTV	Loan to value ratio
MCA	Ministry of Corporate Affairs
Mutual Fund	Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996
"Net Asset Value per Equity Share" or "NAV per Equity Share"	Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31
Net Worth	Aggregate of Equity Share capital and other equity
NBFC	Non-banking financial companies
NCD(s)	Non-convertible debentures
NHB	National housing bank
NPA(s)	Non-performing assets
NRE Account	Non-resident external account
NRI	A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
PAN	Permanent account number
PAT	Profit after tax
QP	Qualified purchaser as defined in the U.S. Investment Company Act

<b>Term</b>	<b>Description</b>
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies, NCT Delhi & Haryana
RTGS	Real time gross settlement
Rule 144A	Rule 144A under the U.S. Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Relaxation Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021
SEBI Rights Issue Circulars	Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
Stock Exchange	BSE
STT	Securities transaction tax
Supreme Court	Supreme Court of India
TAT	Turn around time
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Total Borrowings	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities
UPI	Unified Payments Interface
"U.S.\$ ", "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
U.S. QIB	Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act
"USA", "U.S. " or "United States"	United States of America
U.S. SEC	U.S. Securities and Exchange Commission
U.S. Securities Act	U.S. Securities Act of 1933, as amended
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
WHO	World Health Organization

## NOTICE TO INVESTORS

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

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

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

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

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

## NO OFFER IN THE UNITED STATES

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

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

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

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

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain Conventions

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

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

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

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

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

### Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see "**Financial Information**" beginning on page **71** of this Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (the "**Ind AS Rules**"). The Audited Financial Statements of our Company for the Financial Year ended March 2019, March 2020 and March 2021 and the nine-month period ended December 31, 2021 have been prepared in accordance with Ind AS, as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "**Financial Information**" beginning on page 71 of this Letter of Offer.

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

number of decimal points as provided in such respective sources. In this Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

### Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" beginning on pages 17, 62 and 99 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

### Exchange Rates

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

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

				(in ₹)	
Sr. No.	Name of the Currency	As of March 31, 2021	As of March 31, 2020	As of March 31, 2019 *	
1.	1 United States Dollar	73.50	75.39	69.17	

(Source: RBI reference rate)

\*Exchange rate as on March 29, 2019, as RBI reference rate is not available for March 31, 2019 and March 30, 2019 being a Saturday and Sunday, respectively.

### Industry and Market Data

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

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 17 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

## FORWARD LOOKING STATEMENTS

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

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

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

- Uncertainty of the continuing impact of the COVID-19 pandemic on our business and operations;
- Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;
- Demand for our current products and our ability to introduce new products and implement our growth strategies;
- Any volatility in interest rates which could cause our gross spreads to decline and consequently affect our profitability;
- Unanticipated turbulence in interest rates or other rates or prices;
- Downturns or disruptions in the securities markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability;
- Changes in the value of Rupee and other currency changes;
- The outcome of any legal or regulatory proceedings we are or may become a party to;
- Changes in Indian and/or foreign laws and regulations, including tax, accounting, banking, securities, insurance and other regulations;
- Changes in the pricing environment in India; and regional or general changes in asset valuations;
- Any changes in connection with policies, statutory provisions, regulations and/or RBI directions in connection with NBFCs, including laws that impact our lending rates and our ability to enforce our collateral;
- Emergence of new competitors;
- The rate of growth of our loan assets;
- Potential mergers, acquisitions or restructurings;
- Occurrence of natural calamities or natural disasters affecting the areas in which our Company has operations;
- Availability of adequate debt and equity financing at commercially acceptable terms;
- General, political, economic, social and business conditions in Indian and other global markets;
- Significant competition in our businesses may limit our growth and prospects;
- Dependence on a number of key management personnel and senior management personnel and our ability to attract and retain qualified personnel;;
- Our risk management and internal controls, as well as the risk management tools available to us, may not

- be adequate or effective in identifying or mitigating risks to which we are exposed; and
- Claims by clients or actions by regulators or both for alleged mis-selling.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" beginning on pages 17, 62 and 99 respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

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

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



## SUMMARY OF LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to the prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Letter of Offer, including, "**Risk Factors**", "**Objects of the Issue**", "**Our Business**" and "**Outstanding Litigation and Defaults**" beginning on pages 17, 42, 62 and 102, respectively of this Letter of Offer.

### 1. Summary of Industry

Non-Banking Financial Institutions form an integral part of the Indian financial ecosystem. They provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that Banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms. For further information, see "**Industry Overview**" beginning on page 47 of this Letter of Offer.

### 2. Summary of Business

Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities. For further information, see "**Our Business**" beginning on page 62 of this Letter of Offer.

### 3. Our Promoter

The Promoters of our company are Mr. Virender Kumar Agarwal, Ms. Manju Agarwal, Mr. Rishab Kumar Agarwal and Mr. Shakul Kumar Agarwal.

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

We have been informed by our Promoter and Promoter Group informed that they shall not subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

### 5. Objects of the Issue

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

<i>(₹ in lakhs)</i>	
<b>Particulars</b>	<b>Amount</b>
Gross proceeds from the Issue#	4,968.11*
Less: Issue related expenses	103.11
<b>Net Proceeds of the Issue</b>	<b>4,865.00</b>

# assuming full subscription and allotment

\*The issue size will not exceed ₹4968.11 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose

### 6. Summary of Financial Information

Following are the details as per the Financial Information as at and for the nine-month ending December 31, 2021, Financial Years ended on March 31, 2021 and 2020:

	(Rs. In Lakhs)		
<b>Particulars</b>	<b>December 31, 2021</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Authorised Share Capital	2,500	2,500	2,500
Paid-up Capital	458.74	458.74	458.74
Net Worth attributable to Equity Shareholders	1,219.30	1,185.54	1,178.34
Total Revenue	1,244.76	627.97	755.14
Profit after tax	46.75	10.23	16.63
Earnings per Share (basic & diluted) (in ₹)	0.07	0.01	0.02
Net Asset Value per Equity Share (in ₹)	2.66	2.58	2.57
<b>Total Borrowings</b>	<b>217.42</b>	<b>285.41</b>	<b>245.09</b>

The Financial Statements for the Fiscal ended March 31, 2020, March 31, 2021 and for the nine-month period ended December 31, 2021 referred to above are presented under "**Financial Statements**" on page 73 of this Letter of Offer. The summary financial information presented below should be read in conjunction with the Financial Statements and the accompanying notes, schedules and annexures included in "**Financial Statements**" on page 71 of this Letter of Offer.

#### 7. Auditor Qualifications

No reservations, qualifications and adverse remarks have been made by our Auditors in their reports which have not been given effect to in the Financial Statements for Fiscals March 31, 2020, March 31, 2021 and for the nine months period ended December 31, 2021.

#### 8. Outstanding Litigations:

##### i) Cases filed by our Company:

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved*(in ₹)</b>
Criminal matters	NIL	NIL
Direct Tax matters	NIL	NIL
Indirect Tax matters	NIL	NIL
Actions taken by regulatory authorities	NIL	NIL
Material civil litigations	NIL	NIL

##### ii) Cases filed against our Company:

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (in ₹)</b>
Criminal matters	NIL	NIL
Direct Tax matters	Not Ascertainable	29,270
Indirect Tax matters	NIL	NIL
Actions taken by regulatory Authorities	NIL	NIL
Material civil litigations	NIL	NIL

##### iii) Cases filed by our Subsidiary:

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved (in ₹)</b>
Criminal matters	NIL	NIL
Direct Tax matters	NIL	NIL
Indirect Tax matters	NIL	NIL
Actions taken by regulatory authorities	NIL	NIL
Material civil litigations	NIL	NIL

iv) Cases filed against our Subsidiary:

<b>Nature of Litigation</b>	<b>Number of matters outstanding</b>	<b>Amount involved* (in ₹)</b>
Criminal matters	NIL	NIL
Direct Tax matters	Not Ascertainable	20,766
Indirect Tax matters	NIL	NIL
Actions taken by regulatory Authorities	NIL	NIL
Material civil litigations	NIL	NIL

For details, please refer to chapter titled "*Outstanding Litigations and Material Developments*" on page 102 of this Letter of Offer.

9. **Risk Factors:**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see "*Risk Factors*" on page 17 of this Letter of Offer.

10. **Summary of Contingent Liabilities**

Please see the chapters titled "*Financial Information*" beginning on page 71 of the Financial Information section in this Letter of Offer.

11. **Summary of Related Party Transactions**

Please refer "*Financial Information*" beginning on page 71 of the Financial Information in this Letter of Offer.

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

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

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

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

## SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the "Financial Statements" on page 71, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 62, 47 and 99, respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

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

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see "Forward Looking Statements" on page 12.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Audited Financial Statements and Unaudited Financial Results included in this Letter of Offer. For further information, see "Financial Statements" on page 71. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to Advik Capital Limited.

### INTERNAL RISK FACTORS

1. ***The novel coronavirus pandemic (COVID-19 Pandemic) outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition and cash flows and further impact will depend on future developments, which are highly uncertain.***

The rapid outbreak of the COVID-19 Pandemic, resulted in an unpredictable chain of events across the globe. With reduced production and consumption, every economy witnessed a fiscal crunch like never before. The pandemic shook the Indian economy, which was already under the effects of demonetisation and GST enforcement. As Covid-19 Pandemic swiftly made its way into the nation, the Indian Government imposed a strict nationwide lockdown. Trade and travel restrictions along with shutdown of business activities led to a GDP contraction of 23.9%.

The financial year 2020-21 began with ongoing COVID-19 Pandemic that led to nationwide lockdown. The lockdown was relaxed in a phased manner depending upon the severity and magnitude of the spread of the pandemic. The cases started declining after reaching peak levels in September 2020. With revival of economic activities due to easing of lockdown, economy rebounded. However, the resurgence of COVID-19 Pandemic impacted the nascent economic revival that was taking shape. The most vulnerable category of borrowers are individual borrowers, small businesses and MSMEs.

Our Company also lends to MSMEs. In order to mitigate the stress caused by the Covid-19 Pandemic on

several sectors across the country, the Government has announced an Emergency Credit Line Guarantee Scheme ("ECLGS"). The ECLGS aims to provide 100 percent guaranteed coverage to the banks, non-banking financial institutions (NBFCs) and other lending institutions in order to enable them to extend emergency credit to business entities that have suffered due to the COVID-19 Pandemic and are struggling to meet their working capital requirements. The scheme aimed to provide Rs 3 lakh crore worth of collateral-free, government-guaranteed loans to micro, small and medium enterprises (MSMEs) across India to mitigate the distress caused by the coronavirus-induced lockdown.

RBI took several standard and innovative measures to ensure liquidity in the system. RBI permitted lending institutions to provide relief to the borrowers for a period of six months starting from 1st March 2020 to 31st August 2020 from EMI payments and working capital interest payments. It also announced relief measures including new restructuring guidelines to retain loans from banks and NBFCs' to such qualifying loans classified as standard within the regulatory framework. RBI also declared Resolution Framework for COVID-19 Pandemic related stress through which a window to enable lenders to implement a resolution plan in respect of eligible corporate exposures without change in ownership, and personal loans, while classifying such exposures as Standard, subject to specified conditions. Reserve Bank of India vide its circular dated 7th April 2021 instructed all lending institutions to refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed.

Given that the COVID -19 Pandemic and its impact on the Company, the actual impact on our Company's loans and advances will also depend on future developments, including, among other things, any new information concerning the severity of the COVID -19 Pandemic and any action to contain its spread or mitigate its impact. While, our Company continue to monitor the developments of the COVID-19 Pandemic situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 Pandemic. If the COVID-19 Pandemic situation persists or worsens, it may adversely impact our Company's business and the financial condition.

As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. If the outbreak of any of these pandemic or other severe pandemic, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially and adversely affect our business, cash flows, financial condition and results of operations.

2. ***We are subjected to supervision and regulation by the RBI as non – deposit accepting NBFC, and changes in RBI's regulations governing us could adversely affect our business.***

The RBI's regulation pertaining to NBFC may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFCs.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

3. ***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.

4. ***We are evolving business and thus it makes difficult to evaluate our business and future operating results on the basis of our past performance, and our future results may exceed or may not meet our past performance.***

Our business is growing business and the results and amounts set forth in our financial statements may not provide a reliable indication of our future performance. Accordingly, you should evaluate our business and prospects in light of the risks, uncertainties and difficulties frequently encountered by both high growth companies and financial institutions that are in the early stages of development. Our failure to mitigate the risks and uncertainties associated with our business could materially adversely affect our business and operating results.

5. ***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.***

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 income, and constituted 5.79%, 98.34%, 84.92%, and 99.82%, of our total income for the nine month period ending December 31, 2021, the Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. To expand our business, we may borrow and lend funds on both fixed and floating rates. Volatility in interest rates can materially and adversely affect our financial performance. Though interest rates have been on declining trends in recent past, but with the recovery of economic activities, shrinking liquidity and rising inflation, interest rates may move upward. 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 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. 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 re-pricing of our assets.

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

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

7. ***Our indebtedness and the conditions and restrictions imposed by our financing agreements could restrict our ability to conduct our business and operations in the manner we desire.***

We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

8. ***97.58% of 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 or at all and/or to comply with applicable statutory/regulatory requirements in connection with such loans could adversely affect our operations and profitability.***

Out of our Company's loan portfolio of ₹ 6,20,00,000 lakhs as at December 31, 2021, out of which 97.58% our loan book is unsecured loans. In relation to the unsecured 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. 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.

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

Out of our Company's total loan portfolio of ₹ 620,00,000 as at December 31, 2021, 2.42% % of the aggregate gross value of our loan book is secured by collaterals.

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

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

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

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

11. ***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, 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.

We face competition from other NBFCs, microfinance companies as well as both commercial and small finance banks. In addition, our target customers also borrow from money lenders and non-institutional lenders which may lend at higher rates of interest. 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 may be adversely affected.

12. ***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 are exposed 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.

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

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

14. ***We may experience difficulties in expanding our business into new regions and markets in India***

Historically, our distribution networks is concentrated in New Delhi. As part of our growth strategy, we strive 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, 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.

15. ***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 is essential to our business. The reputation of our Company could be adversely affected by any threatened and/or legal proceedings and/or any negative publicity or news articles in connection with our Company. As such, any damage to our reputation 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, declines the our market perception and customer acceptance of our brands may also decline.

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

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. 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.

17. ***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.***

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 may not be completely effective. In the event, if any regulatory authorities believes that we are not complying with required money laundering compliances and/or KYC Compliances, there may be civil and criminal penalties for non-compliance and our business and results of operations could be adversely affected.

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

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

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

Our ability to sustain our rate of growth depends significantly upon our ability to manage key issues such as selecting and retaining key operations personnel, developing managerial experience to address emerging challenges and ensuring a high standard of client service. In order to be successful, we must attract, train, motivate and retain highly skilled employees. 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.

20. ***Our Promoters and Directors may have interests in our Company other than reimbursement of expenses incurred or remuneration or benefits.***

Our Promoters and Directors may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, Equity Shares held by them or their relatives, their dividend or bonus entitlement, benefits arising from their directorship in our Company. Our Promoters and Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

There can be no assurance that our Promoters, and Directors will exercise their rights as shareholders to

the benefit and best interest of our Company. Our Promoters and members of our Promoter Group will continue to exercise significant control over our Company, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting.

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

Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs. So long as the Promoters have a majority holding, they will be able to elect the entire Board and control most matters affecting us, including the appointment and removal of the officers of our Company, our business strategy and policies and financing. Further, the extent of the Promoters' shareholding in our Company may result in the delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders of our Company.

22. ***Our registered office is a leased premise and non-renewal of lease agreement or its renewal on terms unfavourable to us could adversely affect our operations.***

Our Registered Office is in leased premise. If the owner of the premise do not renew the agreements under which we occupy the premise, 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.

23. ***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 various 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.

24. ***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. 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.

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 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 the ₹1,00,00,000 may impact the recovery of outstanding loans and profitability of our Company.

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

The fund requirement and deployment is 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.

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

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

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

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, our Company had not complied with certain provisions of the SEBI Listing Regulations. Though our Company endeavours to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the Stock Exchange or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

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

In the past, there have been certain instances of delay in filing of statutory forms as per the reporting requirements under the Companies Act, 1956 and Companies Act, 2013 with the RoC, which have been subsequently filed by payment of an additional fee as specified by RoC by our Company and our

Subsidiary.

No show cause notice in respect to the above has been received by our Company or our Subsidiary till date and except as stated in this Letter of Offer, no penalty or fine has been imposed by any regulatory authority in respect to the same. The occurrence of instances of delayed or erroneous filings in future may impact our results of operations and financial position.

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

Our ability to pay dividends in future will depend on our earnings, financial condition and capital requirements. We may be unable to pay dividends in the near or medium term, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations.

30. ***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 third party data has not been independently verified by us.***

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

#### **ISSUE SPECIFIC RISK**

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

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

32. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "Terms of the Issue" on page 111.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in

dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

33. ***The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.***

In accordance with SEBI circulars dated May 6, 2020, July 24, 2020, January 19, 2021 and April 22, 2021, a separate web based application platform, i.e., the R-WAP facility has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the Eligible Shareholder scan access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account there at. For details, see "Terms of the Issue" on page 111. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology in the payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policies effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the R-WAP facility.

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "Terms of the Issue" on page 111.

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

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only.

Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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

Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see "Terms of the Issue" on page 111.

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

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

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

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

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

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

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

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

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

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

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

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

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

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



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

#### **External Risk Factor**

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

Summary statements of assets and liabilities as at March 31, 2021 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2021 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

We have not attempted to quantify the impact of US GAAP, IFRS or any other system of accounting principles on the financial data included in this Letter of Offer, nor do we provide a reconciliation of our financial statements to those of US GAAP, IFRS or any other accounting principles. US GAAP and IFRS differ in significant respects from Ind AS and Indian GAAP. Accordingly, the degree to which the Financial Information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS, Indian GAAP and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Letter of Offer should accordingly be limited.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in

the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

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

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

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

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

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

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

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

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

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our

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

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

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

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

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

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

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

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

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

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

54. ***We are subject to regulatory, economic, social and political uncertainties and other factors beyond***

***our control.***

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

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

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighboring countries;
- hostile or war like situations with the neighboring countries;
- macroeconomic factors and central bank regulation, including in relation to interest rates movements which may in turn adversely impact our access to capital and increase our borrowing costs;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms and/or a timely basis.
- Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

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

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

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

## SECTION III - INTRODUCTION

### THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on December 28, 2021, pursuant to Section 62(1)(a) of the Companies Act. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 111 of this Letter of Offer.

Particulars	Details of Equity Shares
Equity Shares proposed to be issued	Up to 17,43,19,680 Equity Shares
Rights Entitlement	19 Equity Share for every 5 fully paid-up Equity Share(s) held on the Record Date
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 6 (six) Equity Shares or is not in multiples of 6 (six), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any
Record Date	Friday, March 11, 2022
Face value per Equity Shares	₹1
Issue Price per Rights Equity Shares	₹ 2.85 per Equity Share (including a premium of ₹ 1.85 per Equity Share)
Issue Size	Issue not exceeding ₹4,968.11 lakhs <i>#To be adjusted as per the Rights Entitlement ratio</i>
Dividend	Such dividend as may be declared by our Board and our shareholders, as per applicable law
Equity Shares issued, subscribed and paid up prior to the Issue	4,58,73,600 Equity Shares. For details, see " <i>Capital Structure</i> " beginning on page 40 of this Letter of Offer
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	22,01,93,280 <sup>#</sup> Equity Shares <i>#Assuming full subscription</i>
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	22,01,93,280 Equity Shares
Money payable at the time of Application	₹ 2.85
Scrip Details	ISIN: INE178T01024 BSE: 539773
Use of Issue Proceeds	For details please refer to the chapter titled " <i>Objects of the Issue</i> " on page 42 of this Letter of Offer.
Terms of the Issue	For details please refer to the chapter titled " <i>Terms of the Issue</i> " on page 111 of this Letter of Offer.

Please refer to the chapter titled "*Terms of the Issue*" on page 111 of this Letter of Offer.

#### Issue Schedule

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

Event	Indicative Date
Issue Opening Date	Monday, March 11, 2022
Last Date for On Market Renunciation of Rights	Friday, April 1, 2022
Issue Closing Date	Thursday, April 7, 2022

## GENERAL INFORMATION

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934.

In the beginning of the year 2010, our Company underwent change of Control in terms of Regulation 12 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 1997. Pursuant to the change of Control, Mr. Virendra Kumar Aggarwal and Mr. Rishab Kumar Aggarwal became Promoters of the Company and the then existing Promoter(s) ceased to be the Promoter(s) of the Company.

In year 2010, pursuant to scheme of amalgamation, under section 391 (2) and 394 of the Companies Act, 1956, approved by Hon'ble High Court of Delhi, our Company was amalgamated with Du-Lite Safety Services Private Limited which was engaged in the business of trading of electrical and safety devices.

Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Further, the Company procured a Certificate of Registration from Reserve Bank of India as a Non-Banking Financial Company on August 24, 2017 in the new name.

### **Registered and Corporate Office, CIN and registration number of our Company**

Plot No. 84, Khasra No. 143/84,  
Ground Floor, Extended Lal Dora,  
Kanjhawla, Delhi, North West Delhi  
New Delhi - 110081  
**Telephone: +91 +91 9289-1199-80, 81, 82**  
**Website: [www.advikgroup.com](http://www.advikgroup.com)**  
**Corporate Identity Number: L65100DL1985PLC022505**  
**Registration Number: 022505**  
**E-mail: [advikgroup@yahoo.com](mailto:advikgroup@yahoo.com)**

### **Address of the RoC**

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

**Registrar of Companies,**  
Registrar of Companies, 4th Floor,  
IFCI Tower, 61, Nehru Place,  
New Delhi – 110019

### **Company Secretary and Compliance Officer**

**Rashika Gupta**  
B-1/550 Madangir,  
New Delhi – 110 062  
**Telephone: +91 9289-1199-80, 81, 82**  
**E- mail: [advikcapital@gmail.com](mailto:advikcapital@gmail.com)**

**Statutory auditors of the Issuer:****M/s Garg Anil & Company**

E-174, Lajpat Nagar- IV,

Amar Colony,

New Delhi 110024

**Telephone Number: 011-41325378**

**E-mail: anilgarg02@gmail.com**

**Banker(s) to the Issue:****Name: ICICI Bank Limited**

**Address:** Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road

Backbay Reclamation, Churchgate, Mumbai – 400020

**Telephone Number:** 022- 66818911/23/24

**Contact person:** Mr. Sagar Welekar

**Website:** www.icicibank.com

**E-mail:** sagar.welekar@icicibank.com

**Registrar to the Company:**

**Name:** Skyline Financial Services Private Limited

**Address:** D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

**Telephone Number:** 011-40450193/97

**Contact person:** Ms. Rati

**Website:** www.skylinerta.com

**E-mail:** admin@skylinerta.com

**Registrar to the Issue:**

**Name:** Skyline Financial Services Private Limited

**Address:** D-153A, 1<sup>st</sup> Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

**Telephone Number:** 011-40450193/97

**Contact person:** Ms. Rati

**Website:** www.skylinerta.com

**E-mail:** admin@skylinerta.com

**Experts**

Our Company has received a written consent dated February 14, 2022 from our Statutory Auditors, M/s Garg Anil & Company, to include their names in this Letter of Offer as an "expert", as defined under applicable laws, to the extent and in their capacity as statutory auditors, and in respect of the reports issued by them and the Statement of Tax Benefits, included in this Letter of Offer. Such consent has not been withdrawn as on the date of this Letter of Offer.

*Self-Certified Syndicate Banks*

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

**Statement of Inter-se Allocation of Responsibilities**

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



### **Credit Rating**

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

### **Debenture Trustees**

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

### **Monitoring Agency**

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

### **Underwriting Agreement**

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

### **Issue Schedule**

<b>Last Date for credit of Rights Entitlements</b>	<b>Tuesday, March 15, 2022</b>
<b>Issue Opening Date</b>	<b>Monday, March 11, 2022</b>
<b>Last date for On Market Renunciation of Rights Entitlements #</b>	<b>Friday, April 1, 2022</b>
<b>Issue Closing Date*</b>	<b>Thursday, April 7, 2022</b>
<b>Finalization of Basis of Allotment (on or about)</b>	<b>Tuesday, April 19, 2022</b>
<b>Date of Allotment (on or about)</b>	<b>Tuesday, April 19, 2022</b>
<b>Date of credit (on or about)</b>	<b>Friday, April 22, 2022</b>
<b>Date of listing (on or about)</b>	<b>Tuesday, April 26, 2022</b>

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

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., April 7, 2022 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., **April 7, 2022**.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "**Terms of the Issue - Process of making an Application in the Issue**" beginning on page 111 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://www.skylinerta.com> after keying in their respective details along with other security control measures implemented thereat. For further details, see "**Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**" beginning on page 113 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements

were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

We have been informed by our Promoter and Promoter Group informed that they shall not subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

### **Appraising Entity**

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

### **Filing**

This Letter of Offer is being filed with the Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further our Company will simultaneously do an online filing with SEBI through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011) dated January 19, 2018 issued by the SEBI. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Letter of Offer to the e-mail address: [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in).

## CAPITAL STRUCTURE

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

*(in ₹ lakhs, except share data)*

	Aggregate value at face value	Aggregate value at Issue Price
<b>A AUTHORISED SHARE CAPITAL</b>		
25,00,00,000 Equity Shares of ₹1 each	2,500.00	-
<b>B ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE</b>		
4,58,73,600 Equity Shares of ₹1 each	458.73	-
<b>C PRESENT ISSUE IN TERMS OF THIS LETTER OF OFFER<sup>(1)</sup></b>		
Up to 17,43,19,680 Equity Shares, each at a premium of ₹1.85 per Equity Share, i.e., at a price of ₹2.85 per Equity Share	1,743.19	4968.11
<b>D ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE</b>		
22,01,93,280 Equity Shares of ₹2.85 each fully paid up	2,201.93 <sup>#</sup>	
<b>E SECURITIES PREMIUM ACCOUNT</b>		
Before the Issue		357.20
After the Issue		3582.11

<sup>#</sup> Assuming full subscription for and Allotment of the Equity Shares

<sup>(1)</sup> The Issue has been authorised by our Board pursuant to resolution dated December 28, 2021 and the shareholders of the Company pursuant to their resolution dated January 29, 2022. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on March 4, 2022.

### Notes to the Capital Structure

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

We have been informed by our Promoter and Promoter Group informed that they shall not subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

**2. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹[•] per equity share.**

**3. Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:**

- (i) The shareholding pattern of our Company, as on December 31, 2021, can be accessed on the website of the BSE [here](#).
- (ii) The statement showing holding of Equity Shares of persons belonging to the category "Promoter and Promoter Group" including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2021, can be accessed on the website of the BSE [here](#).
- (iii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2021, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE [here](#).

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

The details of shares locked-in, pledged, encumbrance by Promoters and Promoter Group can be accessed on the website of the BSE [here](#).

5. **Details of Convertible instruments**

Our Company has not issued any convertible instruments as on the date of this Letter of Offer nor does it intend to issue any convertible instruments by way of the Issue.

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

There has been no acquisition of securities by our Promoter and promoter group in the last one year immediately preceding the date of filing of this Letter of Offer.

## OBJECTS OF THE ISSUE

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

1. Meeting Working Capital Requirements
2. General Corporate Purposes

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

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

Particulars	Amount	(₹ in lakhs)
Gross proceeds from the Issue#		4,968.11 *
Less: Issue related expenses		103.11
<b>Net Proceeds of the Issue</b>		<b>4,865.00</b>

# assuming full subscription and allotment

\*The issue size will not exceed ₹4,968.11 lakhs. If there is any reduction in the amount on account of or at the time of finalisation of issue price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose

### Requirement of Funds:

The intended use of the Net Proceeds of the Issue is as under:

S. No.	Particulars	Total estimated amount to be utilized	(₹ in lakhs)
1.	Meeting Working Capital Requirements		3,650.00
2.	General Corporate Purposes		1,215.00
	<b>Total</b>		<b>4,865.00</b>

### Means of Finance

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

The fund requirement and deployment is based on our Management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan.

### Details of the Objects of the Issue

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

#### 1. Meeting Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, however this time to strengthen the margins and financials strength of the Company we propose to part fund the Working Capital Requirements to the extent of Rs. 3,650 lakhs from the Net Proceeds of proposed Right Issue

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

The details of Working Capital Requirement, is as under:

		(₹ in lakhs)		
Sr. No.	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2022 (Projected)	As at 31.03.2023 (Projected)
<b>A</b>	<b>Current assets</b>			
	a) Loans	605.00	2000.00	4,200.00
	b) Cash & cash equivalents	1.61	500.00	650.00
	c) Other Assets	51.38	800.00	1,000.00
	<b>Sub-Total</b>	<b>657.99</b>	<b>3300.00</b>	<b>5,850.00</b>
<b>B</b>	<b>Current liabilities</b>			
	(a) Borrowings	2.50	1,000.00	1,150.00
	(b) Trade payables	1.43	200.00	250.00
	(c) Other current liabilities	3.17	100.00	100.00
	<b>Sub-Total</b>	<b>7.10</b>	<b>1,300.00</b>	<b>1,500.00</b>
<b>C</b>	<b>Net Working Capital (A- B)</b>	651	2,000.00	4,350.00
<b>D</b>	<b>Working Capital Gap</b>	-	1349.00	2350.00
	<b>Funding Pattern</b>			
	Funding through Internal Accruals		49.00	-
	<b>Working Capital funding through Rights Issue proceeds to be utilized</b>		<b>1300.00</b>	<b>2350.00</b>

2. **General Corporate Purpose**

We intend to deploy ₹1,215 Lakhs from gross proceeds of the Rights Issue towards general corporate purposes. The general corporate purposes for which our Company proposes to utilize issue proceeds include but not restricted to entering into brand building exercises and strengthening our marketing capabilities, general maintenance, partnerships, tie-ups or contingencies in ordinary course of business which may not be foreseen or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. However, not more than 25% of the gross proceeds of the issue would be deployed for the General Corporate purposes.

3. **Expenses for the issue**

The Issue related expenses consist of fees payable to the Advisors, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹103.11 lakhs towards these expenses, a break-up of the same is as follows:

		(₹ in lakhs)		
Activity	Estimated Expense	% of Total Expenses	As a % of Issue size	
Fees payable to the intermediaries (including Advisors fees, legal fees, selling commission, registrar fees and expenses)	40.00	38.79%	0.81%	
Advertising, Printing, stationery and distribution Expenses	5.00	4.85%	0.10%	
Statutory and other Miscellaneous Expenses	58.11	56.36%	1.17%	
<b>Total</b>	<b>103.11</b>	<b>100.00%</b>	<b>2.08%</b>	

## **Appraisal**

None of the Objects of the Issue have been appraised by any bank or financial institution.

## **Schedule of Implementation and Deployment of Funds**

As estimated by our management, the entire proceeds received from the issue would be utilized during FY 2021-22 and FY 2022-23 respectively.

## **Deployment of Funds towards the Objects of the Issue**

We have incurred ₹ 22.91 Lakhs upto February 14, 2022 towards the Objects of the Issue which has been certified by Mr. Anil Garg, Proprietor of Garg Anil & Co., vide his certificate dated February 14, 2022. The said amount has been met by the Company from its own resources and the same will be adjusted against the issue proceeds.

## **Bridge Financing Facilities**

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

## **Monitoring of Utilization of Funds**

Since the proceeds from the Issue are less than ₹10,000 lakhs, in terms of Regulation 82(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchange.

Pursuant to Clause 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Clause 32 of the SEBI Listing Regulation, the Company shall furnish to the Stock Exchange, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after placing the same before the Audit Committee.

## **Interim Use of Proceeds**

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

## **Interest of Promoters, Promoter Group and Directors, as applicable to the objects of the Issue**

Our Promoters, Promoter Group and Directors do not have any interest in the Objects of the Issue.

## STATEMENT OF TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS AS PER THE CERTIFICATE ISSUED BY STATUTORY AUDITORS OF THE COMPANY

The Board of Directors,  
**ADVIK CAPITAL LIMITED**  
Plot No. 84, Khasra No. 143/84  
Ground Floor, Extended Lal Dora  
Kanjhawla, New Delhi-110081

Dear Sirs,

#### **Sub: Statement of possible special direct tax benefits available to Advik Capital Limited ("the Company") and its shareholders ("the Statement").**

We hereby confirm that the enclosed statement states the possible special direct tax benefits available to the Company and the shareholders of the Company under the Income Tax Act, 1961 ("**Act**") as amended from time to time, presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfil.

This statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, 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 rights issue of equity shares of the Company particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

The contents of the enclosed statement are based on the information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company. We do not express any opinion or provide any assurance as to whether:

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

This statement is intended solely for information and for inclusion in the Letter of Offer in relation to the Issue of equity shares of the Company and is not to be used, circulated or referred to for any other purpose without our prior written consent. Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time.

We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

**For Garg Anil & Co.**  
**Chartered Accountants**  
**Firm Registration No: 6308FRN**

**Anil Garg**  
**Proprietor**  
**M No.: 085017**  
**UDIN: 22085017ACDSUU8180**  
**Date: February 14, 2022**  
**Place: Delhi**



**Statement of Special Tax Benefits available to the Company & its Shareholder under the Income Tax Act, 1961 and other Direct Tax Laws presently in force in India**

Special Tax Benefits

- I. Benefits available to the Company  
There are no special tax benefits available to the Company.
  
- II. Benefits available to the Shareholders  
There are no special tax benefits available to the shareholders for investing in the proposed right issue of shares of the Company.

**For Garg Anil & Co.**  
**Chartered Accountants**  
**Firm Registration No: 6308FRN**

**Anil Garg**  
**Proprietor**  
**M No.: 085017**  
**UDIN: 22085017ACDSUU8180**

**Date: - February 14, 2022**  
**Place: Delhi**

## SECTION IV – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.*

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" beginning on pages 17 and 71, respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 17 of this Letter of Offer.*

### GOLBAL ECONOMY AT LARGE

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook ("WEO") forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by

national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery.

Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines as many struggle with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups. Amid exceptional uncertainty, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. Strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at affordable prices for all. Many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic.

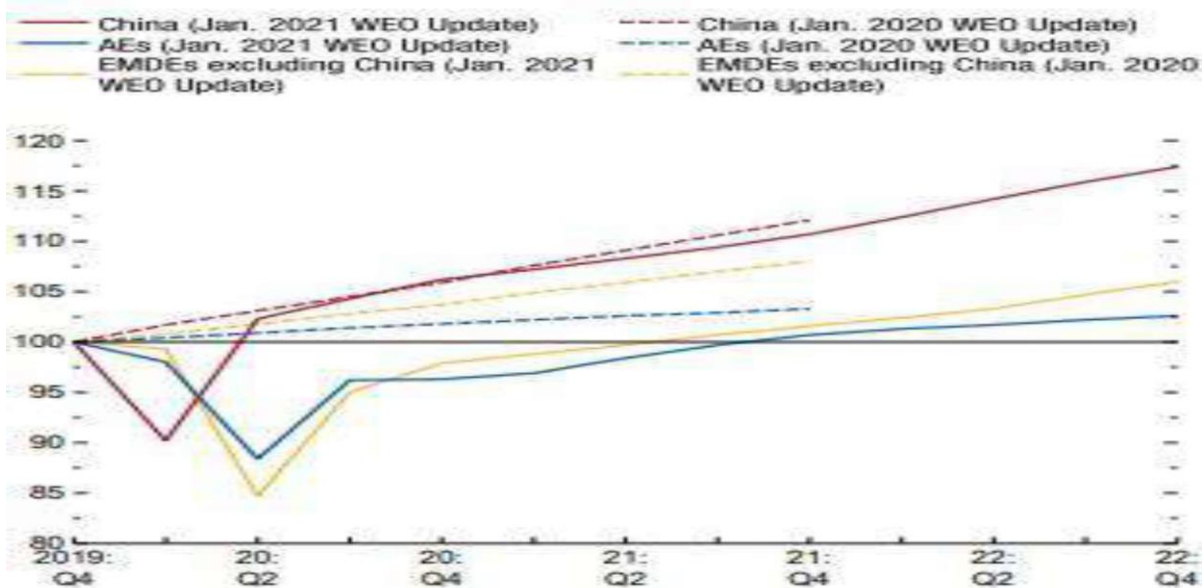
The global community will need to continue working closely to ensure adequate access to international liquidity for these countries. Where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20. A stronger starting point for the 2021-22 forecast. Multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. Moreover, economic data released after the October 2020 WEO forecast suggest stronger-than-projected momentum on average across regions in the second half of 2020.

Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time. Finally, additional policy measures announced at the end of 2020 notably in the United States and Japan are expected to provide further support in 2021-22 to the global economy. These developments indicate a stronger starting point for the 2021-22 global outlook than envisaged in the previous forecast. Lingering concerns.

However, surging infections in late 2020 (including from new variants of the virus), renewed lockdowns, logistical problems with vaccine distribution, and uncertainty about take-up are important counterpoints to the favorable news. Much remains to be done on the health and economic policy fronts to limit persistent damage from these were contraction of 2020 and ensure a sustained recovery. These developments raise three interrelated questions for the global outlook. First, how will restrictions needed to curb transmission affect activity in the near term before vaccines begin delivering effective society-wide protection? Second, how will vaccine-rollout expectations and policy support affect activity? Third, how will financial conditions and commodity prices evolve? The baseline forecast requires forming a view on these unknowns.

The strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, effectiveness of policy support, exposure to cross-country spillover, and structural characteristic centering the crisis (Figure 1).

**Figure 1. Divergent Recoveries: WEO Forecast for Advanced Economies and Emerging Market and Developing Economies**  
(Index, 2019:Q4 = 100)



Source: IMF staff estimates.

Note: AEs = advanced economies; EMDEs = emerging market and developing economies; WEO = World Economic Outlook.

Infections and restrictions will soften momentum in early 2021. Third quarter GDP outturns mostly surprised on the upside (Australia, euro area, India, Japan, Korea, New Zealand, Turkey, United States) or were in line with expectations elsewhere (China, Mexico). Among components, private consumption rebounded the most. Investment picked up relatively slowly, except in China. The expenditure decompositions suggest a release of pent-up demand and adjustments to telework. Given the largely one-off nature of such spending, it is likely to dissipate once the adjustments are made. High-frequency data suggest some tapering into the fourth quarter of 2020 for example, in new orders, industrial production, and global trade.

The US December employment report also showed the first net decline in nonfarm payrolls since April 2020. Moreover, services output remains subdued and is likely to soften further in the coming months with renewed restrictions to combat rising infections. The softening in early 2021 is expected to give way to rising momentum in the second quarter as vaccines and therapies become more readily available, allowing contact-intensive activity to strengthen. Vaccines, therapies and containment efforts. The baseline assumes broad vaccine availability in advanced economies and some emerging market economies in summer 2021 and across most countries by the second half of 2022 an accelerated timeline relative to expectations at the time of the previous forecast. Vaccine rollout speed is assumed to vary across economies based on country-specific factors. Moreover, therapies are expected to gradually become more effective and more accessible worldwide over the course of 2021-22. The baseline also assumes the possibility of lockdowns, including to contain transmission of new variants, before vaccines become widely available. Additional fiscal policy support set to boost activity in some countries, but most are expected to experience lower deficits in 2021. The sizable fiscal support announced for 2021 in some countries, including most recently in the United States and Japan, together with the unlocking of Next Generation EU funds, will help lift economic activity among advanced economies with favourable spill overs to trading partners. However, as noted in the January 2021 Fiscal Monitor Update, fiscal deficits in most countries are projected to decline in 2021 as revenues rise and expenditures decline automatically with the recovery. Supportive financial conditions. Major central banks are assumed to maintain their current policy rate settings throughout the forecast horizon to the end of 2022. As a result, financial conditions are expected to remain broadly at current levels for advanced economies while gradually improving for emerging market and developing economies. Within this latter group, differentiation between investment-grade sovereigns (who have been able to issue external debt in large amounts in 2020) and high-yield borrowers (many of whom are constrained in their ability to take on additional debt and until recently have not accessed international markets during the pandemic) is expected to subside as the recovery takes hold. As noted in the January 2021 Global Financial Stability Report Update, markets remain upbeat about prospects for 2021, banking on continued policy support. Rising commodity prices.

Reflecting the projected global recovery, oil prices are expected to rise in 2021 just over 20 percent from the low base for 2020, but will still remain well below their average for 2019. Non-oil commodity prices are also expected to increase with those of metals, in particular, projected to accelerate strongly in 2021.

## **Global Growth**

After an estimated 3.5 percent contraction in 2020, the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percentage point higher than projected in the October WEO forecast. This reflects the stronger than-expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised up 0.3 percentage point, reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support mostly in the United States and Japan together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group. Global trade. Consistent with recovery in global activity, global trade volumes are forecast to grow about 8 percent in 2021, before moderating to 6 percent in 2022. Services trade is expected to recover more slowly than merchandise volumes, however, which is consistent with subdued cross-border tourism and business travel until transmission declines everywhere.

Global activity will remain well below the pre-COVID, January 2020 WEO projections through the forecast horizon. The strength of the projected recovery varies across countries, depending on the severity of the health crisis, the extent of domestic disruptions to activity (related to the structure of the economy and its reliance on contact-intensive sectors), the exposure to cross-border spill overs, and importantly the effectiveness of policy support to limit persistent damage. Advanced economies, in general, have been able to provide expansive fiscal support to households and firms (direct tax and spending measures as well as equity injections, loans, and guarantees), and central banks have reinforced this with expanded asset purchase programs, funding-for-lending facilities, and, for some, interest rate cuts. Reflecting the strong policy support and the anticipated widespread availability of vaccines in summer 2021, the projected output loss compared with the pre-COVID forecast is relatively smaller for advanced economies than other countries. Recovery paths vary within the group, with the US and Japan projected to regain end-2019 activity levels in the second half of 2021, while in the euro area and the United Kingdom activity is expected to remain below end-2019 levels into 2022. The wide divergence reflects to an important extent differences across countries in behavioral and public health responses to infections, flexibility and adaptability of economic activity to low mobility, pre-existing trends, and structural rigidities entering the crisis. The 2021 forecast for the United States is revised up 2 percentage points relative to the October 2020 WEO projection, reflecting carryover from the strong momentum in the second half of 2020 and additional support from the December 2020 fiscal package. Similarly, the 0.8 percentage point upward revision to Japan's 2021 forecast is largely because of the additional boost from the fiscal measures introduced at the end of 2020. These upgrades are partially offset by downward revisions to the 2021 forecast for the euro area reflecting an observed softening of activity toward the end of 2020, which is anticipated to continue into early 2021 amid rising infections and renewed lockdowns. Emerging market and developing economies are also projected to trace diverging recovery paths.

Considerable differentiation is expected between China where effective containment measures, a forceful public investment response, and central bank liquidity support have facilitated a strong recovery and other economies. Oil exporters and tourism-based economies within the group face particularly difficult prospects considering the expected slow normalization of cross-border travel and the subdued outlook for oil prices. As noted in the October 2020 WEO, the pandemic is expected to reverse the progress made in poverty reduction across the past two decades. Close to 90 million people are likely to fall below the extreme poverty threshold during 2020-21. Across regions, vulnerabilities, economic structure, and pre-crisis growth trends, together with the severity of the pandemic and the size of the policy response to combat the fallout, shape recovery profiles. Notable revisions to the forecast include the one for India (2.7 percentage points for 2021), reflecting carryover from a stronger-than-expected recovery in 2020 after lockdowns were eased.

*(Source: International Monetary Fund)*

## **OVERVIEW OF THE INDIAN ECONOMY**

The agglutination of supply disruptions, the health crisis, an unparalleled mass migration and a hostile global environment took a heavy toll on the Indian economy. A cyclical slowdown had preceded the pandemic, causing

real gross domestic product ("GDP") growth to register a sequential deceleration since 2017-18, which slumped into contraction under the onslaught of COVID-19. The combination of demand compression and supply disruption that took hold in its wake caused severe debilitating effects on the economy in Q1:2020-21.

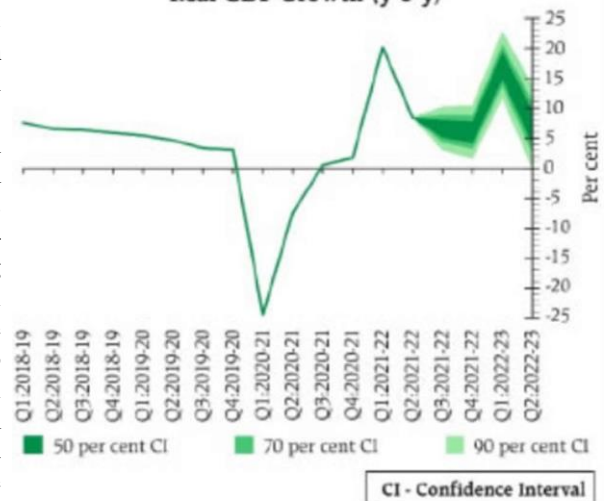
Sensing the recovery gaining traction, equity markets became ebullient, with the BSE Sensex staging a V-shaped recovery and rising over 91 per cent by end-March 2021 from the lows of March 2020, buoyed by strong corporate performance in Q2 and Q3 of 2020-21, the roll-out of a massive vaccine programme, fiscal and monetary stimulus in place and surges of capital inflows. The prospects for the Indian economy though impacted by the second wave, remain resilient backed by the prospects of another bumper rabi crop, the gathering momentum of activity in several sectors of the economy till March, especially housing, road construction and services activity in construction, freight transportation and information technology (IT). Meanwhile, the activation of the production linked incentive ("PLI") scheme, spectrum auctions and considerable easing of financial conditions are helping to shape the turnaround. On the other hand, large and medium-scale industry, mining and quarrying and several contact-intensive sectors remain subdued.

The second advance estimate ("SAE") that were released by the National Statistical Office ("NSO") in February 2021 revealed that aggregate demand, measured by real GDP, contracted by 8.0 per cent in 2020-21. This is the first contraction experienced since 1980-81 and the severest ever. In fact, the contraction was of the order of 15.9 per cent in the first half of 2020-21 under the full brunt of the lockdown imposed to curb the transmission of COVID-19.

(Source: RBI)

Economic activities gained momentum in the first quarter of year 2021 got subsequently dented by the onset of the second wave of the pandemic. The recovery in domestic economic activity is turning increasingly broad-based, with the expanding vaccination coverage, slump in fresh COVID-19 cases and rapid normalisation of mobility. Rural demand is expected to remain resilient. The spurt in contact-intensive activities and pent-up demand will continue to bolster urban demand. The government's infrastructure push, the widening of the performance-linked incentive scheme, structural reforms, recovering capacity utilisation and benign liquidity and financial conditions provide conducive conditions for private investment demand. The Reserve Bank's surveys point to improving business outlook and consumer confidence. On the other hand, volatile commodity prices, persisting global supply disruptions, new mutations of the virus and financial market volatility pose downside risks to the outlook.

**Chart 2: Quarterly Projection of Real GDP Growth (y-o-y)**



Taking all these factors into consideration and assuming no resurgence in COVID-19 infections in India, the projection for real GDP growth is retained at 9.5 per cent in 2021-22 consisting of 6.6 per cent in Q3; and 6.0 per cent in Q4:2021- 22. Real GDP growth is projected at 17.2 per cent for Q1:2022-23 and at 7.8 per cent for Q2.

(Source: RBI)

## INDIA'S FINANCIAL SERVICES SECTOR

Wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating

a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the banking sector, the focus was on imparting operational flexibility and functional autonomy with a view to enhancing efficiency, productivity and profitability, imparting strength to the system and ensuring accountability and financial soundness. The restrictions on activities undertaken by the existing institutions were gradually relaxed and barriers to entry in the banking sector were removed. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies.

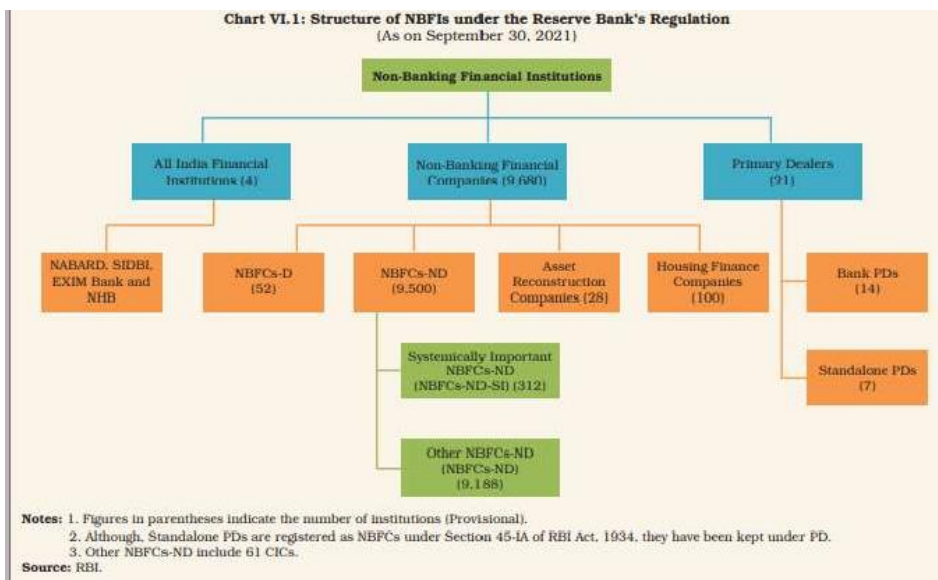
Non-banking financial sector grew rapidly, but there was no regulation of their asset side. Financial markets were characterized by control over pricing of financial assets, barriers to entry, high transaction costs and restrictions on movement of funds/participants between the market segments. Apart from inhibiting the development of the markets, this also affected their efficiency.

Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.

### Overview of the Non-Banking Financial Institutions

Non-Banking Lenders have witnessed exponential growth in the last decade driven largely by regulatory reforms and their ability to cater to unbanked areas through innovative products and service delivery mechanisms. This was further supported by their effective collection platforms. Today, non-bank lenders constitute about 25% (over INR 35.9 lakh crore as on Sept-2019) of the systemic credit outstanding and have financed over 10 crore customers drawing strength from their extensive footprint largely in rural and semi-urban areas (70% of total branches).

Non-bank lenders form an integral part of the Indian financial ecosystem. They provide underbanked/unbanked individuals and MSMEs an opportunity to be a part of the financial mainstream. They have been successful in bridging the credit gap for the entire spectrum of customers ranging from high ticket structured loans to corporates/HNIs to microfinance customers, due to their higher risk underwriting capacity, superior credit assessment skills and deep understanding of customers. They have emerged as a vehicle for financing business activities that Banks neglected due to regulatory restrictions such as credit exposure constraints and sector concentration norms.

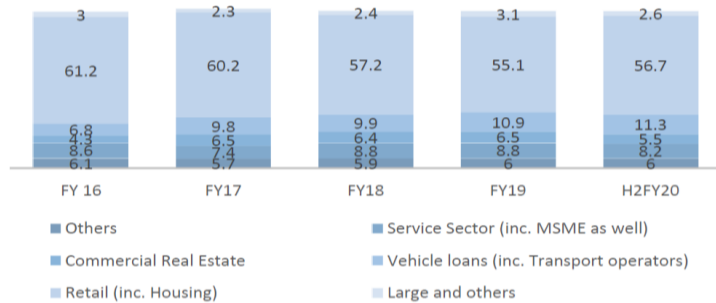


Non-bank lenders collaborate with banks through various modes like securitization, on-lending, and business correspondents to complement credit dissemination by underwriting small ticket loans to the agriculture sector

and MSMEs. Over the years, non-bank lenders have also acquired a skill-based arbitrage over banks due to continuous innovation in their business model and processes that rely on surrogate non-financial information, use of third-party sales channels and collection processes.

Furthermore, non-bank lenders have gained market share from banks in key segments such as retail consumer loans, lending to micro small enterprises, vehicle loans and housing loans. They have been able to capture share by catering to underserved and unbanked customer segments.

### CREDIT CONCENTRATION - NBFC



(Source: FICCI)

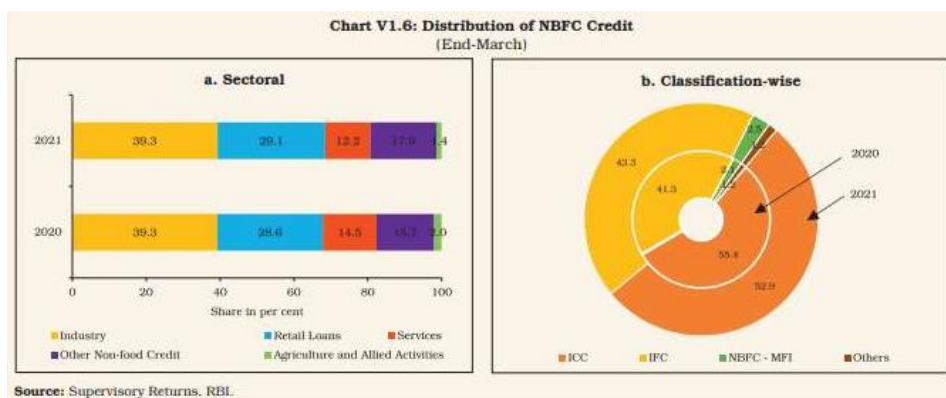
However, over the past two years, the non-banking finance sector came under stress due to multiple adverse events which impacted growth and profitability. COVID-19 has further amplified the stress in the system. Loan volumes for most of the non-bank lenders have come down considerably, particularly for lenders who are directly competing with banks and have limited pricing power.

Non-bank lenders continue to perform better than banks in terms of balance sheet growth and overall profitability. On relative terms, non-bank lenders can garner higher yields on their underlying assets than banks given their higher exposure to informal segments. Further, despite higher cost of funds, their net interest margins are higher translating into better risk-adjusted return (even after they operate at lower leverage vis-a-vis banks).

Non-bank lenders play an important role in the economy by financing micro and small-scale industries (informal sector) and provide employment and entrepreneurial opportunities at a ground level. Banks prefer lending to entities with stronger balance sheets or to lower risk segments such as the salaried class of people. Non-bank lenders support financially weaker sections of society by channelizing financial resources to capital formation. A large share of their assets (45%) is deployed into retail, MSME and vehicle finance segments.

### Lending by NBFC-ND-SI

Amongst NBFCs-ND-SI, ICCs, IFCs and NBFCs-MFI together accounted for 98.1 per cent of the total asset size of the sub-sector in March 2021. All categories of NBFCs-ND-SI exhibited balance sheet growth in 2020-21, except for NBFCs-Factor. With the harmonisation of major NBFC categories, NBFCs-D now comprise only ICCs.



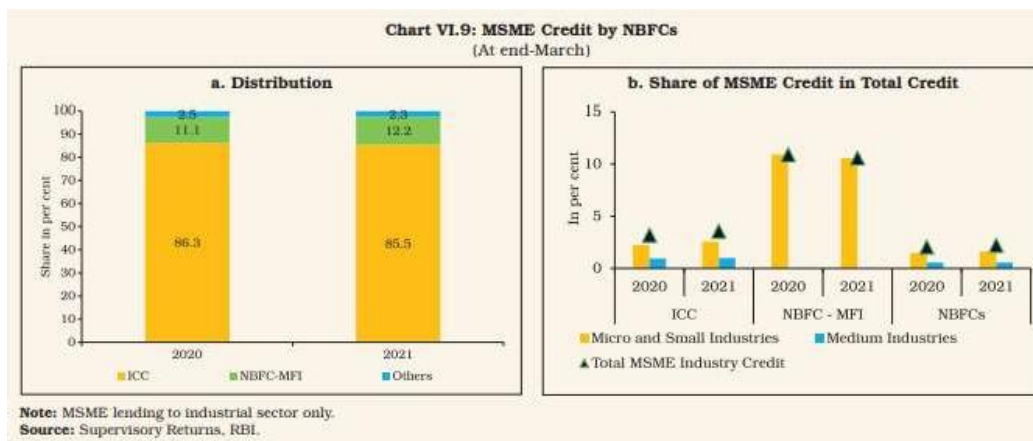


Industry remained the largest recipient of credit extended by the NBFC sector, followed by retail loans and services. In 2020-21, the share of the retail loan portfolio of the sector continued to rise with a concomitant fall in the share of services sector. ICCs and IFCs together comprise 96.2 per cent credit extended by NBFCs as of end-March 2021. The fall in the share of ICCs was primarily due to the strong growth of other two categories viz., IFCs and NBFCs-MFI (Chart VI.6 a & b).

The MSME sector was among the most pandemic afflicted sectors. Accordingly, the Reserve Bank and the Union Government introduced several measures to revive activity in the sector: a) special refinance facilities for AIFIs, which included Rs.15,000 crore to SIDBI for on-lending/refinancing to the MSME sector; b) Emergency Credit Line Guarantee Scheme (ECLGS) which provided Rs. 3 lakh crore of unsecured loans to MSMEs and business; c) extension of the scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade; d) permitting bank lending to NBFCs (other than MFIs) for on-lending to agriculture, MSMEs and housing to be classified as priority sector lending (PSL); e) introduction of on-tap Targeted Long-Term Repo Operations (TLTRO) in October 2020 for reviving specific sectors, including MSMEs.

NBFCs' credit to MSMEs grew at 17.8 per cent during 2020-21. ICCs, together with NBFCs MFI, are the main purveyors of MSME credit (Chart VI.9.a). Eleven per cent of the NBFCs MFI' loan book comprises micro and small loans (Chart VI.9.b).

In view of the significance of the sector for income and employment generation, many regulatory policies to support the sector have been extended. The scheme of one-time restructuring of loans to MSMEs without an asset classification downgrade was extended in May 2021 and the exposure threshold was increased to Rs. 50 crore in June, 2021.



Further, during 2020-21, retail loan portfolios of banks outgrew their services sector lending, aided by double digit acceleration in housing loans- the biggest component of retail loans. Vehicle loans gained traction, reflecting consumer interest after companies announced substantial discounts on automobiles.

Vehicle loans credit, the largest segment in retail loans, witnessed reduction in share during 2020-21 owing to disruption of activity while the share of lending against gold doubled.

Vehicle financing is a niche area for NBFCs in which they still account for a predominant share. Component-wise, sales growth of commercial vehicles continued to be in the negative zone in 2020-21 while passenger vehicle sales picked up marginally aided by the opening up of the economy and a growing preference for personal vehicles. Tractor sales grew at a robust pace in 2020-21 as agriculture and rural areas were relatively insulated from the first wave and normal monsoon whetted activity. Consequently, NBFCs rebalanced their credit portfolios in favour of this section.



### Impact of Covid-19 on Non-Banking Financial Sector

COVID-19 pandemic led to a slowdown in the economic activity across the globe. To curb the increasing infection, several countries-imposed lockdowns to a varying degree. Due to these lockdowns and the subsequent restriction in mobility, business across the world got impacted. One of the worst hit sectors the NBFC lending business.

According to the World Bank, the Global economy is estimated to have contracted by 3.5% in 2020. Advanced economies such as the US, Japan and European regions are estimated to have contracted by 3.5%, 4.7% and 6.6% respectively during the period. Compared to the advanced economies, the emerging market and developing economies ("EMDEs") showcased better resistance and were expected to have contracted by 1.7% during 2020.

Due to interconnected nature of the economy and the cascading impact of reduced mobility, all the allied sectors of the economy got impacted. The fall in consumption pushed several businesses into distress leading to loss in productivity and jobs. Governments and Central Bank across the world came to the rescue with several measures, targeted at reviving the falling consumption.

The ongoing COVID-19 pandemic has deeply impacted the NBFC sector. In Q1:2020- 21, they faced severe disruptions during and in the wake of the nation-wide lockdown, leading to a standstill of economic activity and a contraction of GDP by 24.4 per cent. As the impact on the real sector spilled over to financial markets, NBFCs witnessed a sharp drop in collections and disbursements and a substantial increase in the cost of their borrowings even as access to market funding became restricted. The provision of moratorium also had an impact on their cash inflows, resulting in reduction in collections. Timely measures on monetary, fiscal, and regulatory fronts by the Reserve Bank and the government aided their revival, eased financial conditions and bolstered market sentiments. From Q2:2020-21 onwards, the situation improved, aided by policy support. Many NBFCs also recalibrated their business strategies, leveraging on digital technology with a strong emphasis on data analytics. The NBFC sector faced headwinds again when the second wave hit the country by March 2021. With the passing of the second wave, the outlook is brightening again; however, downside risks remain significant.

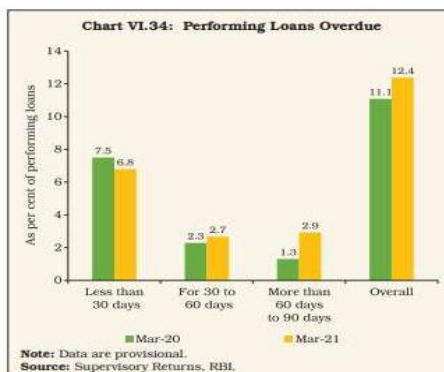
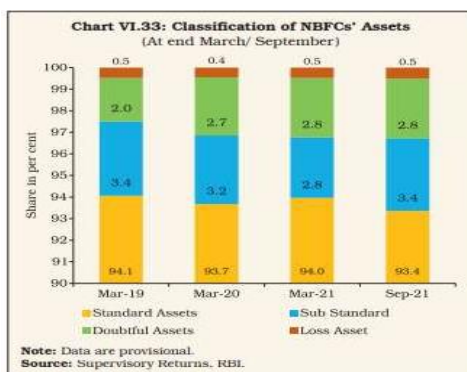
NBFCs have a competitive edge in their superior understanding of regional dynamics, well-developed collection systems and personalised services in the drive to expand financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. The reach and last mile advantages of NBFCs have empowered them with agility, innovation and a cutting edge in providing formal financial services to underbanked and unserved sections of the society.

(Source: RBI)

## Asset Quality of NBFC Sector

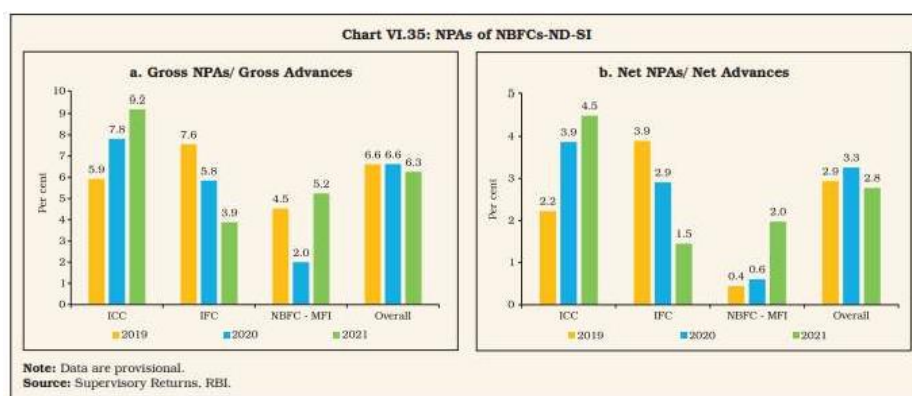


In 2020-21, NBFCs registered an improvement in asset quality as the asset classification standstill in view of the pandemic was in force. Resolution of a few accounts in the infrastructure space during the year also helped. Both GNPA and NNPA ratios declined post March 2020. The higher provision coverage ratio ("PCR") during the period is reflective of adequate buffers to deal with likely headwinds (Chart VI.31). In 2021-22 (up to September), asset quality of the sector deteriorated to some extent. GNPA ratio increased from 6.0 per cent to 6.8 per cent and NNPA ratio increased from 2.7 per cent to 3.0 per cent.



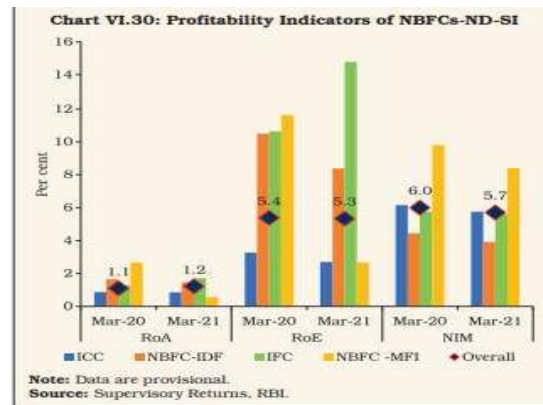
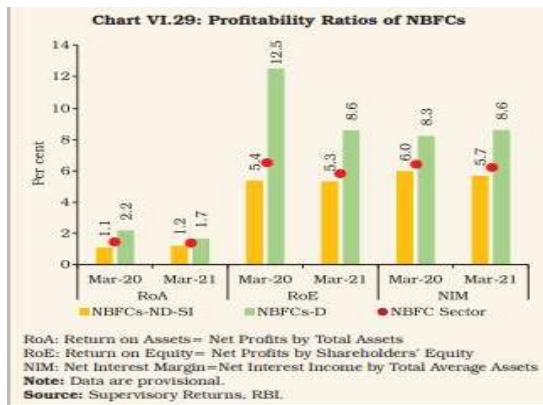
Based on the duration for which an asset remains non-performing, NPAs can be categorised into sub-standard, doubtful and loss assets. In 2020-21, a part of the sub-standard assets of a large NBFC returned to being standard, which led to a marginal improvement in asset quality (Chart VI.33).

Among performing loans of NBFCs, 87.6 per cent of loans were standard and rest were overdue but not NPAs in March 2021. Loans overdue in the first bucket viz., less than 30 days were the largest, but the position improved in 2021. The share of loans overdue for more than 60 days but less than 90 days doubled.



## Profitability of NBFCs-ND-SI

The profitability of NBFCs-ND-SI gauged in terms of RoA marginally increased in 2020-21 due to an improvement in the RoA of IFCs. The overall RoE of NBFCs-ND-SI declined. NIM was lower for all entities, mirroring subdued credit off-take (Chart VI.30).



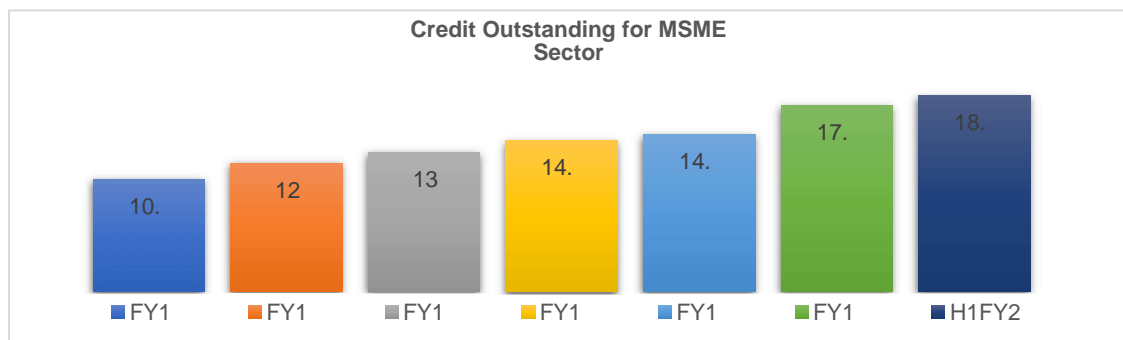
## Support to Micro, Small and Medium Enterprises (MSMEs) by NBFCs

The MSME sector forms the backbone of the Indian Economy. It is a critical for the economic and social development of the country as it not only fosters entrepreneurship but also generates mass employment. MSMEs are complementary to large industries as ancillary units and this sector contributes significantly to the inclusive industrial development of the country.

India has 6.3 crore MSMEs operating in the country which contribute to 28.9% of the GDP while employing 11 crore people. With over 3 crore MSMEs (51% of total MSMEs) based in the rural areas, they form an important part of the rural ecosystem.

Of the overall MSME market of \$560 Bn, only \$232 Bn is currently under the ambit of formal lending sector. Remaining \$230 Bn is yet to be covered under the fold of formal lending. This points towards a wide opportunity that is waiting to be tapped. FinTechs which can leverage the power of alternative data sources to underwrite these customers will be able to break-open this evolving space.

Given their overall economic importance, easy access to credit for the sector is vital to ensure its growth. Exposure of banks and non-bank lenders to the sector increased by 75% since Financial Year 2014 to reach INR 18.3 lakh crore as in Financial Year 2020. Despite a jump, formal credit access through banks and non-bank lenders contribute to 49% of the overall credit requirement of MSMEs as shown below:



(Source: FICCI)

The growth of non-bank lenders in financing the MSME sector can be attributed to the following factors:

- Efficiency in underwriting:** Between 2016 and 2018, all lenders effectively reduced the processing time for MSME loans. Accordingly, non-bank lenders have the lowest Turn Around Time ("TAT") in the

- industry for processing MSME loans.
- b) **Differentiated approach to MSME financing:** MSME creditworthiness assessment, more specifically for small and micro segments which have a higher proportion of customers with limited income proofs, requires a strong understanding of the sector and micro-market. Non-bank lenders underwrite based on the cashflows as opposed to a balance sheet-based approach. This approach requires significant investment in effective assessment, monitoring and collections. Consequently, the cost of servicing the segment is relatively higher. Hence, non-bank lenders with their strong network and underwriting capabilities are better placed to continue servicing this sector.

### **Alternative financing - a boon to emerging market like India**

Alternative financing in India though it is yet to establish its roots in India; it is certain to give positive push to growth of the MSMEs. The key hurdle i.e. inaccessible timely credit at competitive cost which has been a major challenge faced by MSMEs over the past several years, the alternative platforms aim to provide simplified and customized access to finance along with more active participation and guidance in the overall growth and operations of the enterprises. Besides, in the era of rapidly changing technology, it is also essential for enterprises to overcome the risk of becoming technologically obsolete. Hence, alternative sources are expected to be the key drivers, providing convenient and cost-effective funding during the crucial stages of growth of the small and medium enterprises, thereby aiding sustainable growth. These alternative solutions are known to be popular among advanced countries suggesting that these alternatives are more likely to thrive if implemented in India as they help in bringing the borrowers and investors closer. However, these innovative methods would prove to be fruitful if established with strong legal framework involving greater transparency which would not only encourage borrowers but also build greater confidence among investors.

There have been several technology innovations that are changing the landscape of MSME lending. Some of these recent innovations include:

1. **India Stack:** India Stack refers to a set of open APIs that allows governments, businesses, start-ups, and developers to utilize digital infrastructure. It was launched in 2009 with the creation of UIDAI and represented the first major disruption in India's FinTech space. It offers open APIs as public infrastructure such as UPI, BharatPay, BBPS, Aadhar, AEPS, eKYC, eSign, Digi Locker, FASTag, and the GSTN platform. India Stack APIs allow governments, businesses, startups, and developers to utilize digital infrastructure to facilitate presence-less, paperless, and cashless service delivery.
2. **Open Credit Enablement Network (OCEN):** OCEN, launched as part of India Stack in July 2020, aims to change the way credit is distributed to the end-user by introducing new touchpoints for the distribution of financial services. It empowers digital platforms to play crucial roles in the lending value chain. It is a complete reimagination of the credit ecosystem in India. The launch of the Open Credit Enablement Network, or OCEN, was the definitive step for India to move towards democratization of credit and financial inclusion. OCEN as a credit rail will have a common language and connecting lenders and marketplaces allowing them to create innovative credit products and services on top of it. It is a strictly defined spec of APIs that acts as a standardizing middle layer between lenders and digital platforms
3. **Account Aggregator Framework (AA Framework):** Similar to Aadhaar or UPI, the take-off for AA is expected to be moderate and growth likely to accelerate with increase in use-cases. Strong growth will enlist new players with innovative use cases, thus creating a network effect. Customer service levels across lending, wealth management etc. are expected to meaningfully improve and good credit behaviour can be rewarded with a personalized product proposition.

These innovations along with other developments in the pipeline is expected to give necessary fillip not only to the lending fraternity but also the future of MSME Financing.

### **Role of Fin-tech and NBFCs to meet Financial Demands**

Fin-tech lenders use digital technology to make lending faster, easier and less costly. Specializing in MSME finance, such companies work is all about granting a loan against financial statements, bank account transaction history or e-commerce transaction behaviour all of which can be digitally uploaded by the applicant borrower, within a matter of days and at an interest rate that is much lesser than the banks. The creditworthiness of the borrower is assessed using big data along with psychometric tests and social media behaviour. The trading position

of the business is also taken into account. Propelled by technological developments, an alternative source of loans for small business has emerged in the form of new FinTech financial technology lending.

Digital lending services build a bridge between lenders and borrowers. There is a difference in the time taken to process the application, the underwriting process, the actual disbursement of the amount and the period for which the MSME loan is granted. While adequate care is taken in evaluating the eligibility of a business for the grant, a FinTech company also ensures that there are no superfluous delays.

**It helps the MSMEs on the following accounts:**

**Unconventional approaches:** Instead of scanning through numerous irrelevant documents and looking at documents that are known to be under-reported, online lenders make use of credit scorecards as well as several hundreds of variables and raw data points. Some also conduct psychometric analysis of candidates and include industry proxies, financial behaviour, and non-traditional metrics for overall assessment. This lays the foundation for them to provide collateral-free loans to MSMEs even with easily provided documentation something not widely visible within the formal banking institutions.

**Technological advantage:** Digital lending platforms make use of cutting-edge algorithms in their loan assessment process. Banking on AI and Big Data, to analyse the applicant, the business, and the market that it caters to in order to ensure continuous improvement of credit models. Some of the platforms have combined strong underwriting experience with technology to create truly powerful solutions. In fact, Online lending marketplaces are even power some of the traditional Financial Institutions ("**FIs**") platforms now through PaaS Platform-as-a-Service solutions to enable them to do faster and more accurate credit assessment.

**Minimal human intervention for quick assessment:** Such platforms rely on entirely digital processes with minimal or no human intervention in the overall decision making. This eliminates the scope of human errors and makes assessments thoroughly reliable and unbiased. While, it greatly improves the velocity of credit processes it also makes credit underwriting much more scalable. Owing to their innovation-driven approach, the turnaround time for credit risk assessment has been brought down to a few minutes against days and weeks as is the norm in traditional FIs.

**Easy application process:** The use of bots and specifically designed algorithms enable digital lending platforms to scrape all the relevant information from public and private sources. This facilitates minimum paperwork during application and obviates the need for the applicant to fill exhaustive forms.

**Loan disbursement:** Digital lending companies have improved the user experience by leveraging technology to tone down the paper work and processing time. Just like retail shopping and online travel bookings, the capital market for MSMEs also needed to evolve and move online. The loan disbursement process takes only about - days which proves to be pivotal for cash-strapped MSMEs. 35% of the MSMEs receive payments months or later after delivering products or providing services making quick access to working capital essential for smooth functioning and gradual scaling up of MSMEs.

Digital lending is helping a new class of business borrowers who have not been able to obtain funding from traditional sources. With an automated underwriting process and risk management, it has a lower operational cost and smoother loan processing. A major of Fin-Tech -based lending is the assessment of client's credit worthiness. Unlike banks that use only income statements and formal credit history, a Fin-Tech company gathers substantial data through social media and big data. What's more, with a strong use of technology in lending, the focus on safety is also uncompromising. There are adequate measures to keep the customer details encrypted and secure. Moreover, they also facilitate tailored finance products keeping in mind the varying needs of different industry segments.

Most of digital lending platform are focusing on providing unsecured loans to MSMEs which has been the need of the hour as many SMEs with high potential suffer from capital starvation and are unable to take out loans from traditional FIs due to the focus on secured loans. It's an unsecured loan disruption that digital lenders are bringing in powered with technology to risk assess the borrowers in a much better manner and lend against the business performance and track record rather than value of a collateral. As a larger segment of the population comes under the digital aegis, the future prospects of the MSME segment driven by swift and efficient financial assistance enabled by the digital lending ecosystem will only herald positive tidings for the long-term growth of the Indian

economy.

As a conclusion it can be safely said that the emergence of the Fintech NBFC for MSME finance is a global phenomenon that is transforming the entire lending model and in turn the business sector in totality. An idea can change the world, and as fast the idea can be converted into reality, more profitable and effective it will be. Gone are the days of the waiting in line for form fill-ups and waiting months to get a loan to have your business see the light of the day. With players in the market, monetary support for your innovative business idea is just a click away.

(Source: FICCI)

### **FinTech Regulations**

In a recent discussion on Responsible Digital Innovation, RBI hinted towards the upcoming FinTech regulations while discussing about responsible digital innovation.

RBI believes that the regulation has to be based on the entity type rather than the earlier followed approach of activity-based regulation. Systemic risks, operational risks and risks affecting competition are of prime importance when dealing with large financial market infrastructure entities or bigtech. Countries need to overcome the legislative and regulatory deficits in dealing with concerns surrounding privacy, safety and monetisation of data. Regulations pertaining to data issues needs to adapt to a world where boundaries between financial and non-financial firms is getting increasingly blurred or geographical boundaries are no longer a constraint.

Given the fast-evolving landscape of financial value chain and the blurring lines between financial and non-financial firms, the regulators might need to dampen the pace of innovation to ensure better customer protection.

### **Gold Loan**

Gold has occupied a special place in the socio-economic milieu of India. It is considered to be an important asset, a hedge against inflation and an immediate source of cash especially for the rural households in India. Gold is used as collateral to earn money for short term needs. Due to an emotional attachment to the gold that households have, most of households do not sell gold ornaments; instead they pawn it for immediate use. As it a liquid asset, Indian households prefer to possess it so that it can be useful during times of crisis.

In India, gold is considered to be a sign of social status, financial security and cultural legacy. As of 2019, households in India assembled about 25,000 tons of gold, making the country the largest holder of the yellow metal in the world. Rural communities account for ~65% of the total gold demand in the country.

Owing to the sentimental value that Indians associate with this indispensable item, people seldom sell it to meet financial emergencies. They prefer to pledge gold as collateral to secure short-term loans. Gold loans enjoy a relatively low-interest rate that varies between 9.5% and 24% and have a flexible tenure (ranging from a few days to 5 years). The organized gold loan market comprises of banks (private, public, small finance and co-operative), NBFC and Nidhi companies which contribute nearly 35% of the gold loan market in India

The gold loan market in India was valued at ~INR 2,921.42 Bn in 2019 and is expected to reach ~INR 6,275.40 Bn by 2025, expanding at a compound annual growth rate ("CAGR") of ~12.75% during the 2020-2025 period.

### **Vehicle Loan**

As in many other markets, a majority of vehicles – two-wheelers, passenger cars and commercial vehicles – that are sold in India are bought by consumers with automobile loans. About 75 per cent of cars in India are bought through loans, whereas the figure for commercial vehicles is as high as 90 per cent.

As an indication of improving sentiments, more people in the country are now borrowing to purchase new vehicles. With the pickup in economic activities and rising demand and rates for goods transport, fresh auto loan disbursements by NBFCs have almost touched the pre-COVID levels in the first half of FY22.

Data provided by the Finance Industry Development Council ("FIDC"), shows that in H1 FY22, loans worth INR 63,669.84 crore were disbursed to the auto sector compared to INR 43,564.77 crore in the same period a year ago,

up 46.15%. A sequential reduction in gross NPA was also seen quarter-on-quarter.

### **Small Business Loan**

The importance of the MSME sector in India cannot be emphasized enough. Providing employment to about 120 million people, contributing about 30% of our gross domestic product (through manufacturing and service activities) and 45% of overall exports, MSMEs are crucial for promoting inclusive growth and encouraging innovation. In this context, nano-enterprises hold a special place. These are snacks counters, catering services, beauty salons, fashion boutiques, kirana stores and the like.

Micro, Small and Medium Enterprises (MSMEs) have been one of the strongest drivers of growth, entrepreneurship and employment in the Indian economic growth story. The sector accounts for 30% of the GDP, 48% of the total exports and 95% of the industrial units in the country. In terms of employment, it employs 40% of India's workforce.

The overall debt supply to the sector are met through informal and formal source. Debt supply from NBFCs to the MSME sector have increased considerably. NBFCs have been increasingly turning to MSMEs as an avenue for growth based on the higher margins of the sector and inadequate bank service penetration to the sector. Banks usually have a spread of 4 percent 5 percent, but NBFCs can charge higher interest on loans and can thus have spreads as high as 8 percent MSMEs are willing to pay higher rates to NBFCs because they are able to disburse loans faster and more efficiently and have tailored their marketing campaigns to the sector more closely than banks.

*(Source: IFC)*

### **Personal Loan**

According to CRIF High Mark, NBFCs continue to grow in the personal loan (PL) segment in volume terms, doubling their market share. NBFCs, including FinTechs, are doing more and more small-ticket personal loans business, offering a variety of personal loans to customer segments who may not qualify for personal loans via traditional lenders as well as tailored offerings to the changing preferences of customers. Reflecting rising festival-like demand, the sanctions by non-banking finance companies rose 17 per cent in the second quarter (Q2FY22) on a year-on-year basis. The personal loan segment saw strong traction of 90 per cent, followed by consumer loan at 58 per cent, according to CRIF-FIDC. The sanctions in absolute terms stood at Rs 2.17 trillion in July-September 2021, higher than Rs 1.85 trillion in Q2FY2 and Rs 1.52 trillion in April-June 2021 period. Yet, the scale was below pre-pandemic period (July-September 2019- Q2FY20) when sanctions were about Rs 2.4 trillion.

### **Consumer Durable Loan**

India consumer durable finance market grew at a significant pace in the past few years and is expected to register strong growth in the coming years as well. The market is projected to grow from USD1110.63 million in FY2021 to USD2704.18 million in FY2027 accelerating with a CAGR of 21.63% by FY2027. People are willing to buy consumer durable products that make the day-to-day life easier, which is further boosting this market. Furthermore, the rising urban class population base, strong brand awareness and increasing disposable income are augmenting the demand for consumer durable finance across the country.



## OUR BUSINESS

### Overview

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934.

In the beginning of year 2010, our Company underwent change of Control in terms of Regulation 12 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 1997. Pursuant to the change of Control, Mr. Virendra Kumar Aggarwal and Mr. Rishab Kumar Aggarwal became Promoter of the Company and the then existing Promoter(s) ceased to be the Promoter of the Company.

In year 2010, pursuant to scheme of amalgamation, under section 391 (2) and 394 of the Companies Act, 1956, approved by Hon'ble High Court of Delhi, our Company was amalgamated with Du-Lite Safety Services Private Limited which was engaged in the business of trading of electrical and safety devices.

Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Further, the Company procured a Certificate of Registration from Reserve Bank of India as a Non-Banking Financial Company on August 24, 2017 in the new name.

Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

We work under the guidance of our Promoter cum Managing Director, Virendra Kumar Agarwal, who has an experience of more than 15 Years in the Financial Service Industry and been associated with our Company since 2010. He has been instrumental in evolving our business operations, growth and future prospects.

As on September 31, 2021, our loan portfolio was ₹ 6,20,00,000 comprising of short term loan to a few of corporate clients. Our loan book has marginally grown from ₹ 5,79,25,806 as at March 31, 2020 to ₹ 6,05,00,000 as at March 31, 2020.

Our consolidated revenues from operations for Fiscals 2021, 2020 and 2019 were ₹ 625.87 lacs, ₹ 748.26 lacs and ₹ 453.60 lacs, respectively. Our consolidated EBITDA for the Fiscals 2021, 2020 and 2019 were ₹ 50.82 lacs, ₹ 57.03 lacs and ₹ 49.08 lacs, respectively. Our consolidated profit after tax for Fiscals 2021, 2020 and 2019 were ₹6.16 lacs, ₹ 10.41 lacs and ₹11.88 lacs, respectively.

### Corporate Structure

In year 2013, our Company formed a wholly owned subsidiary in the name of Advik Optoelectronics Limited to further diversify activities of trading and manufacturing of electronic products. Presently, our Company holds 58% of the total issued and paid up share capital of the Advik Optoelectronics Limited.

Advik Optoelectronics Limited is engaged in the business of manufacturing of various kinds of emergency life safety signage, evacuation system made of phosphorescent effect, photo luminescent, glow sign board, led board, led electronic board, life safety apparels, road safety signage, lights, emergency lights and equipment.

## **Lending Policy**

The standard process adopted by the company from sourcing to collection is summarised as under:

1. Credit Appraisal Process – The credit appraisals are based on;
  - Need for credit: the borrower’s need for credit will be assessed, as per the context of the product segment. The intent is to ensure that the credit is targeted for use in a constructive way, to improvements to the borrower’s earning or to improve the quality of life.
  - Affordability: an assessment of the borrower’s ability to service the loan will be conducted in all cases. While the assessment methodology may vary across product, the intent is always to set product features such as the disbursement amount and tenure such that the loan is affordable (within the context of the product).
  - Credit rating: the borrower’s credit history, and track record in managing debt, will be considered in all applications.
2. Credit Pricing - Credit will be priced after considering our cost of funds, expected credit cost and the operational cost. Pricing may be varied through the term of the loan or credit facility, based on product needs. In addition to fixed rate loans, interest rates may be floating and reset to reflect market conditions during the term of the loan.
3. Credit Approval or Denials – Credit as approved under terms of clearly documented to leave an auditable trail of credit considerations.
4. Security, insurance and charge – We may require creation of enforceable charge over the borrower’s/ third party assets in favour of our Company, before the disbursement of a loan.
5. Credit Documentation – We thereafter enter into credit documentation to clearly establish the debt obligation of the borrower to our Company.
6. Credit Administration and Monitoring - We have a credit administration and monitoring framework which enables us to effectively identify and mitigate risks associated with clients’ portfolios and mark such account as early stressed account and if required limit the exposure and/or accelerate the repayment schedule of the loan of such client.
7. Collections and Recoveries – We expect our clients to regularly serve the interest portion and /or the Principal amount; failing which we are required to move legally against such defaulting client.

## **Our Business Strategy**

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

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period of time rather than a project-based execution approach. Our Company believes that long-term client relationship fetches better dividends. Long-term relations are built on trust and continuous satisfaction of the customers. It helps understanding the basic approach of our Company, its products and its market. It also forms basis of further expansion for our Company, as we are able to monitor a potential product/ market closely.

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

We continue to enhance our business operations by ensuring that our network of customers increases through our marketing efforts. Our core competency lies in our deep understanding of our customers’ buying preferences and behavior, which has helped us in achieving customer loyalty. We endeavor to continuously improve the product mix offered to the customers as well as strive to understand and anticipate any change in the expectation of our clients towards our products.

### ***Diversified credit profile, strong credit evaluation and risk management systems***

We seek to diversify our credit risk and ensure that no individual credit product contributes a large portion to our overall credit book. We believe that this mitigates the risk of concentration to any particular product or sector and helps us to manage our risk exposure in a more effective manner.

### ***Diversify our assets and liabilities***

We intend to remain diversified in our loan book by strategically focusing on adjacent high growth and profitable lending businesses and further expand our lending and other businesses. We intend to continue to focus on developing a diversified funding model to achieve optimal cost of funds while balancing liquidity and concentration risks. As our cost of borrowings is determined by our financial discipline and business performance, we intend to source funding at competitive rates. In particular, with respect to our credit business, a decrease in cost of borrowings will enable us to price our products in a more competitive manner. We intend to further diversify and strengthen our profile, strategically adding additional funding resources.

### ***Growth of the business through increasing geographical presence across India***

We intend to continue to grow our loan portfolio by expanding our network through the addition of new branches. A good reach to customers is very important in our business. Increased revenue, profitability and visibility are the factors that drive the branch network. Our strategy for branch expansion includes further strengthening our presence in various parts of India by providing higher accessibility to customers.

## **Our Strength**

### ***Experienced Leadership Team***

Our company is managed by people who have a proven track record of delivering results & they possess the right acumen necessary in the build out phase of any organisation. Our senior management have diverse experience in various financial services and functions related to our business. We believe that the knowledge and experience of our senior and mid-level management team members provides us with a significant competitive advantage as we seek to grow our business and expand to new geographies.

### **Strong Corporate Governance Standards**

Creating an institution that is built to last requires strong corporate governance standards. The governance standards are further strengthened by strong policies and processes enshrined in the Articles of Association and strong human resource. We have successfully placed process of credit evaluation, risk management, technology upliftment and business development. Further, we believe in fair trade practices and follow high standards of governance in managing the business of the Company.

### **Marketing**

We have dedicated marketing teams who cater to the demands of the customers and ensure that tailor made solutions are offered to attract and retain the customers.

### **Competition**

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

**Employees**

We believe our human capital is one of our most important strengths and a key driver of growth, efficiency and productivity. We invest in developing our talent and leadership through various initiatives aimed at strengthening the ability of our managers to bring together people, strategies, and execution to drive business results.

**Corporate Social Responsibility**

The Company's CSR mission is to contribute to the social and economic development of the community through a series of efforts. Company's strategy is to integrate its activities in community development, social responsibility and environmental responsibility and encourage each business unit or function to include these considerations into its operations. The Company, for Corporate Social Responsibility activities, endeavours to promote education and ensure environmental sustainability/ ecological balance etc.

**Properties**

Our registered office is on leased premises. Further, our Company owns a freehold immovable property at Sector 2, IMT Manesar, Gurgaon Haryana, which is being used as support office/branch office of the Company.

## OUR MANAGEMENT

### Board of Directors

Our Board of Directors presently consists of six Directors including two Executive Directors and four non-executive Directors, (out of which three are Independent Directors). The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations.

Pursuant to the provisions of the Companies Act, 2013, at least two-third of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each annual general meeting. A retiring director is eligible for re-appointment. Further, an Independent Director may be appointed for a maximum of two consecutive terms of up to five years each.

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

No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
1.	<p><b>Virender Kumar Agarwal</b></p> <p><b>Designation:</b> Managing Director</p> <p><b>Address:</b> H.No.-107, Plot No.44, Aravali Kunj Apartments, Rohini, Sector-13, Delhi – 110 085</p> <p><b>DIN:</b> 00531255</p> <p><b>Date of birth:</b> March 25, 1961</p> <p><b>Term:</b> September 26, 2017 to September 25, 2022</p> <p><b>Period of Directorship:</b> Since January 14, 2010</p> <p><b>Occupation:</b> Business</p>	60	<p>1. Advik Optoelectronics Limited</p> <p>2. Advik Global Limited</p>
2.	<p><b>Manju Agarwal</b></p> <p><b>Designation:</b> Non-Executive Director</p> <p><b>Address:</b> H.No.-107, Plot No.44, Aravali Kunj Apartments, Rohini, Sector-13, Delhi - 110 085</p> <p><b>DIN:</b> 00531344</p> <p><b>Date of birth:</b> January 28, 1967</p> <p><b>Term:</b> September 27, 2014 till now</p> <p><b>Period of Directorship:</b> Since August 07, 2011</p> <p><b>Occupation:</b> Business</p>	55	<p>1. Advik Optoelectronics Limited</p> <p>2.</p>

No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
3.	<p><b>Shakul Kumar Agarwal</b></p> <p><b>Designation:</b> Whole Time Director</p> <p><b>Address:</b> H.No.-107, Plot No.44, Aravali Kunj Apartments, Rohini, Sector - 13, Delhi - 110 085</p> <p><b>DIN:</b> 03590891</p> <p><b>Date of birth:</b> May 14, 1993</p> <p><b>Term:</b> April 01, 2018 to March 31, 2023</p> <p><b>Period of Directorship:</b> Since August 07, 2011</p> <p><b>Occupation:</b> Business</p>	30	1. Advik Global Limited
4.	<p><b>Hemant Agarwal</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> Dr Harpal Singh Street, Near Old Bus Stand, Kotkapura, Punjab – 151 204</p> <p><b>DIN:</b> 02717104</p> <p><b>Date of birth:</b> November 26, 1980</p> <p><b>Term:</b> Since August 04, 2009 till now</p> <p><b>Period of Directorship:</b> Since August 04, 2009</p> <p><b>Occupation:</b> Business</p>	41	NIL
5.	<p><b>Gunjan Jha</b></p> <p><b>Designation:</b> Independent Director</p> <p><b>Address:</b> House No-191, 4th Floor, School Block Shakarpur, L Corner Building, Baramad Shakarpur East Delhi – 110 092</p> <p><b>DIN:</b> 09270389</p> <p><b>Date of birth:</b> January 05, 1986</p> <p><b>Term:</b> December 28, 2021 till December 27, 2026</p> <p><b>Period of Directorship:</b> Since December 28, 2021</p> <p><b>Occupation:</b> Professional</p>	36	1. Integra Garments and Textiles Limited
6.	<p><b>Sony Kumari</b></p> <p><b>Designation:</b> Independent Director</p>	30	1. Integra Garments and Textiles Limited

No.	Name, designation, address, DIN, date of birth, term, period of directorship, occupation	Age (in years)	Other directorships
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**Address:** E-30H, Flat No.8, 2nd Floor  
Chhatarpur Extension Near Suman Chowk,  
Chattarpur, Delhi – 110 074

**DIN:** 09270483

**Date of birth:** November 07, 1991

**Term:** December 28, 2021 till December 27,  
2026

**Period of Directorship:** Since December 28,  
2021

**Occupation:** Professional

### Confirmations

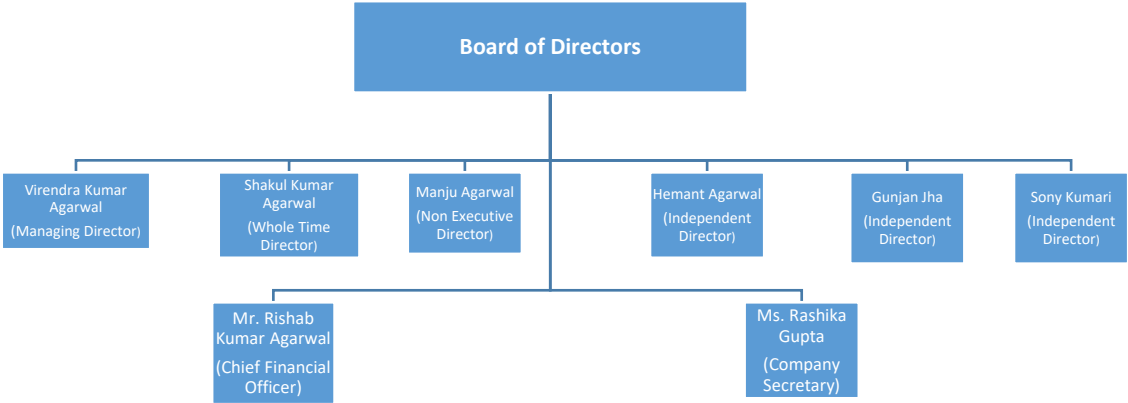
None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchange during the term of their directorship in such company.

None of our Directors is or was a director of any listed company during the last ten years immediately preceding the date of filing this Letter of Offer, which has been, or was delisted from any stock exchange during the term of their directorship in such company.

Our Key Management Personnel and Senior Management Personnel

No.	Name of key management personnel and senior management personnel	Designation	Associated with Company since
1.	Mr. Virendra Kumar Agarwal	Managing Director	September 27, 2014
2.	Mr. Rishab Kumar Agarwal	Chief Financial Officer	May 24, 2018
3.	Ms. Rashika Gupta	Company Secretary	December 28, 2021

**Management Organization Structure**





## **DIVIDEND POLICY**

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

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

**SECTION V – FINANCIAL INFORMATION**

**FINANCIAL STATEMENT**

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**GARG ANIL & CO.**  
CHARTERED ACCOUNTANTS

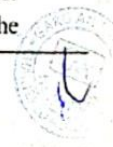
**Independent Auditor's Review Report on the Quarterly Unaudited Consolidated Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

**Review Report To  
The Board of Directors  
ADVIK CAPITAL LIMITED**

1. We have reviewed the accompanying statement of unaudited consolidated financial results of ADVIK CAPITAL LIMITED (the "Company") and ADVIK OPTOELECTRONICS LIMITED for the quarter ended December 31, 2021 (the "statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the

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E-174 LGF, Amar Colony, Lajpat Nagar-IV, New Delhi - 110024  
Ph.: 011-41325378 Mobile : 9811087268 Email : anilgarg02@gmail.com



information required to be disclosed in terms of the Regulation 33 of the SEBI( Listing Obligations and Disclosure Requirements ) Regulations 2015 as amended including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Garg Anil & Co,  
Chartered Accountants  
FRN: 06308N**



**Anil Garg  
(PARTNER)  
M.No.085017  
UDIN: 22085017AAAAAL3386**

**Date: 17/01/2022  
Place: New Delhi**

# ADVIK CAPITAL LIMITED

CIN: L65100DL1985PLC022505

Registered office: Plot No. 84, Khazra No. 143/84, Ground Floor, Extended Lal Dora, Kanjhawla, Delhi-110081, PH NO: 011-25322505  
Website: www.advikgroup.com Email: info@advikgroup.com, cfo@advikgroup.com

## UN AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER 2021

Sr. No.		Three Months Ended			Nine Months Ended		Figures in Lacs
		31-Dec-21 Unaudited	30-Sep-21 Unaudited	31-Dec-20 Unaudited	31-Dec-21 Unaudited	31-Dec-20 Unaudited	31-Mar-21 Audited
1	<b>Revenue from Operations</b>						
a	Interest Income	12.78	12.20	12.20	37.05	35.78	47.71
b	Loan Processing Fees	-	-	-	-	-	-
c	Other Operating Income	1,025.04	113.97	117.01	1,199.45	352.57	578.15
2	<b>Other Income</b>	0.77	7.49	0.08	8.26	0.35	2.10
3	<b>Total Income (1+2)</b>	<b>1,038.59</b>	<b>133.66</b>	<b>129.29</b>	<b>1,244.76</b>	<b>388.70</b>	<b>627.96</b>
4	<b>EXPENSES :</b>						
a	Finance Cost	4.55	5.29	4.71	15.34	16.08	23.86
b	Consultancy Expenses	0.22	0.57	0.45	0.86	0.67	0.64
c	Cost of Materials Consumed	124.83	-	123.79	124.83	274.45	439.00
d	Purchases of Stock-in-Trade	854.32	62.25	(43.86)	975.71	(9.82)	6.99
e	Change in inventory of finished goods, work in progress and stock in	(14.16)	13.36	-	(19.37)	-	60.05
f	Employee Benefits Expense	15.58	14.18	15.38	42.71	42.93	18.74
g	Depreciation and Amortisation Expense	7.52	-	-	7.52	-	68.45
h	Other Expenses	22.38	14.50	26.56	50.41	64.51	617.73
	<b>Total Expenses</b>	<b>1,015.24</b>	<b>110.15</b>	<b>127.03</b>	<b>1,198.01</b>	<b>388.82</b>	<b>10.23</b>
5	<b>Profit Before Exceptional Items and Tax (3-4)</b>	<b>23.35</b>	<b>23.51</b>	<b>2.26</b>	<b>46.75</b>	<b>(0.12)</b>	<b>10.23</b>
6	Exceptional Items	-	-	-	-	-	-
7	<b>Profit/(Loss) Before Tax (5-6)</b>	<b>23.35</b>	<b>23.51</b>	<b>2.26</b>	<b>46.75</b>	<b>(0.12)</b>	<b>10.23</b>
8	<b>Tax Expense/(Benefits):</b>						
i	Current Tax	7.18	5.88	0.52	13.01	-	2.34
ii	Deferred Tax	(0.02)	-	-	(0.02)	-	0.28
iii	Previous Year Income Tax	-	-	-	-	-	-
	<b>Total Tax Expense (i+ii+iii)</b>	<b>7.14</b>	<b>5.88</b>	<b>0.52</b>	<b>12.99</b>	<b>(0.12)</b>	<b>2.60</b>
9	<b>Net Profit/(Loss) from continuing operations (7-8)</b>	<b>16.21</b>	<b>17.63</b>	<b>1.74</b>	<b>33.76</b>	<b>(0.12)</b>	<b>7.63</b>
10	Profit/(loss) from discontinued operations	-	-	-	-	-	-
11	Tax expenses of discontinued operations	-	-	-	-	-	-
12	<b>Profit/(loss) from Discontinued operations (after tax) (10-11)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13	<b>Profit/(loss) for the period (9+12)</b>	<b>16.21</b>	<b>17.63</b>	<b>1.74</b>	<b>33.76</b>	<b>(0.12)</b>	<b>7.63</b>
	<b>Other Comprehensive Income :</b>						
	A.) (i) Items that will not be reclassified to Profit and Loss	-	-	-	-	-	-
	(ii) income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	B) (i) Items that will be reclassified to profit and loss account	-	-	-	-	-	-
	(ii) income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
14	<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
15	<b>Total comprehensive income (Comprising Profit (Loss) and Other Comprehensive Income for the period) (13+14)</b>	<b>16.21</b>	<b>17.63</b>	<b>1.74</b>	<b>33.76</b>	<b>(0.12)</b>	<b>7.63</b>
16	<b>Share of Profit / (loss) of associates</b>						
17	Paid up Equity Share Capital (Face Value Rs 1 each)	458.74	458.74	458.74	458.74	458.74	458.74
18	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	-	-	-
19	<b>Earning per Equity Share:</b>						
	Equity shares of par value Rs 1 each						
	(EPS for three and six months ended periods are not annualised)						
	Basic	0.035	0.038	0.004	0.074	(0.000)	0.017
	Diluted	0.035	0.038	0.004	0.074	(0.000)	0.017

\*Financial Results for the Quarter and Nine ended December 31, 2021.

**Notes:**

- 1 The Consolidated financial results of the company have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act 2013 (the Act) read with the relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.
- 2 The above Quarterly and Nine Months results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting in their held in January 17, 2021. The Statutory auditors have carried out a limited review of the results for the quarter and Nine Month ended December 31, 2021.
- 3 The Board has not recommended any Interim dividend during this Quarter ended December 31, 2021.
- 4 Disclosure of Debt Service Coverage Ratio and Interest Service Coverage Ratio is not mandatory for NBFCs registered with RBI as exempted under Regulation 54(2) of SEBI (LORD), 2015. Hence, the same has not been disclosed by virtue of such exemption.
- 5 The weighted average number of equity shares outstanding during the period has been considered for calculating the basic and diluted earnings per share (not annualized) in accordance with the Ind AS.
- 6 Prior period Expenses/Income pertains to previous year, accordingly previous year figures has been restated. Previous year/period figures have been regrouped/reclassified/rearranged, wherever necessary.
- 7 In accordance with Ind AS, the company has recognised actuarial gains or losses on actuarial valuation of the Defined Benefit Obligation in "Other Comprehensive Income".
- 8 The results of the Company are also available for investors at www.advikgroup.com, www.bseindia.com
- 9 The Previous year figures has been audited Reviewed by the erstwhile Statutory auditors.
- 10 Equity Investment in wholly owned subsidiary i.e Advik optoElectronics Private Limited taken at cost as per Ind AS-110.
- 11 There were no investor complaints known to the Company outstanding at the beginning and at the end of the quarter ended on December 31, 2021.

Place: New Delhi  
Date: 17.01.2022

**ADVIK CAPITAL LIMITED**  
VIRENDER KUMAR AGARWAL  
DIRECTOR (DIN: 00531255)



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF  
ADVIK CAPITAL LIMITED**

**Report on the Audit of the financial statements**

**Opinion**

We have audited the accompanying (Consolidated) financial statements of **ADVIK CAPITAL LIMITED ("the Holding Company") and ADVIK OPTOELECTRONICS LIMITED ("the subsidiary Company") together referred as "the Group" for the year ended on 31<sup>st</sup> March, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at March 31, 2021, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

**Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's Report and Corporate Governance Report, but does not include the financial statements and our auditor's report thereon.



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

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

**Responsibilities of Management (Consolidated) and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**Auditor's Responsibilities for the Audit of the Consolidated financial statements**

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- 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 system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164 (2) of the Act;
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2";
  - g) With respect to the other matter to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid/ provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
  - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - i. The Company does not have any pending litigations which would impact its financial position;



- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- iii. There were no amounts which required to be transferred to the Investor Education and Protection Fund by the Company.

**For Garg Anil & Co.  
Chartered Accountants  
FRN-6308N**



**Anil Garg  
Partner  
M. No. 085017  
UDIN: 21085017AAAACM1219**

**Place: New Delhi  
Date: 26/06/2021**

**Annexure '1' to the Independent Auditor's Consolidated Report**

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section section in the Independent Auditor's Report of even date to the members of Advik Capital Limited & Advik Opto Electronics Ltd on the Ind AS financial statements for the year ended March 31, 2021]**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Ind AS financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) During the year, the fixed assets of the Company have been physically verified by the management and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) The company does not own any immovable property as on the Balance Sheet date.

(ii) The Company does not have any inventory as on the Balance Sheet date. Accordingly, reporting under clause 3 (ii) of the Order is not applicable to the Company.

(iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order is not applicable to the Company.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the Company.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues applicable to it. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

(b) As informed, the provisions of customs duty and excise duty is not applicable to the



Company. There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax (GST), cess and any other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(viii) During the year, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks or dues to debentureholders. The Company has not taken any loan or borrowing from government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such instance by the management.

(xi) Managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, clause 3(xii) of the Order is not applicable to the Company.

(xiii) All transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of Act, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with directors or persons connected with them during the year and hence provisions of section 192 of the Act are not applicable.

(xvi) The company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the registration has been obtained by the Company, which is 14.01129.

**For Garg Anil & Co.**  
**Chartered Accountants**  
**FRN-6308N**

  
**Anil Garg**  
**Partner**

**M. No. 085017**

**UDIN:**

**Place: New Delhi**

**Date: 26/06/2021**

### **Annexure “2” to the Independent Auditor’s Consolidated Report**

[Referred to in paragraph 2(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our Independent Auditor’s Report of even date to the members of Advik Capital Limited & Advik Opto Electronics Ltd on the statements for the year ended March 31, 2021]

#### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls with reference to Consolidated financial statements of **ADVIK CAPITAL LIMITED (“the Holding Company”) and ADVIK OPTOELECTRONICS LIMITED (“the subsidiary Company”) together referred as “the Group” for the year ended on 31<sup>st</sup> March, 2021** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.



The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

**For Garg Anil & Co.  
Chartered Accountants**

FRN-6308N

Anil Garg

Partner

M. No. 085017

UDIN: 21085017AAAACM1219

Place: New Delhi

Date: 26/06/2021

ADVIK CAPITAL LIMITED AND ADVIK OPTOELECTRONICS LIMITED (CONSOLIDATED)				
BALANCE SHEET AS ON 31ST MARCH 2021				
	PARTICULARS	Note No.	Figures as at the end of current reporting period	Figures as at the end of current reporting period
			31.03.2021	31.03.2020
I	<b>EQUITY AND LIABILITIES</b>			
1	<b>Shareholders' Funds</b>			
a	Share Capital	1	60873600.00	60873600.00
b	Reserve and Surplus	2	57680531.22	56960439.37
c	Money received against Share Warrants			
2	<b>Non-Current Liabilities</b>			
a	Long Term Borrowings	3	28541562.18	24508659.77
b	Deferred tax Liabilities (net)	4	0.00	0.00
c	Other Long Term Liabilities		0.00	0.00
d	Long term provisions		0.00	0.00
3	<b>Current Liabilities</b>			
a	Short term borrowings		0.00	0.00
b	Trade Payables	5	0.00	0.00
i	Micro & small enterprises		10380481.41	11781057.47
ii	Other than Micro & Small enterprises		0.00	0.00
c	Other Current Liabilities	6	429823.00	1000000.00
d	Short term provisions	7	689433.84	901062.90
	<b>Total</b>		<b>158595431.65</b>	<b>156024819.51</b>
II	<b>ASSETS</b>			
1	<b>Non Current Assets</b>			
a	Property, Plant and Equipment	8		
(i)	Tangible Assets		22002134.26	23136540.92
(ii)	Intangible Assets		0.00	0.00
(iii)	Capital work in progress		0.00	0.00
(iv)	Intangible assets under development		0.00	0.00
b	Non Current investments	9	14844000.00	14844000.00
c	Deffered Tax Assets (net)		257657.00	283771.00
d	Long term Loans and Advances	9A	10434.00	10434.00
e	Other non current assets		0.00	0.00
2	<b>Current Assets</b>			
a	Current Investments		0.00	0.00
b	Inventories	10	25388877.35	26088103.72
c	Trade Receivables	11	23672559.48	21331349.52
d	Cash and Cash Equivalents	12	1054010.77	900633.03
e	Short term Loans and Advances	13	62666500.00	60072306.00
f	Other Current Assets	14	8699258.79	9357681.32
	<b>Total</b>		<b>158595431.65</b>	<b>156024819.51</b>
			0.00	0.00

Schedule no. I-22 forms the part of the Balance Sheet and Profit and Loss A/c

"As per our report of even date"

For Garg Anil & Company  
Chartered Accountants

Anil Garg  
PARTNER  
M. No. - 085017  
Firm Regn. No. 6308N

Date : 26/06/2021  
Place : Delhi

For Advik Capital Limited and Advik Optoelectronics Ltd.

Vijender Kumar Agarwal  
(Managing Director)  
DIN- 00531253

Shakul Kumar Agarwal  
(Director)  
DIN- 03590891

**ADVIK CAPITAL LIMITED AND ADVIK OPTOELECTRONICS LIMITED (CONSOLIDATED)**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH 2021**

PARTICULARS	Note No.	Figures as at the end of		
		current reporting period	Figures as at the end of current reporting period	
		31.03.2021	31.03.2020	
I	Revenue from Operations	15	62586700.52	74826417.30
II	Other Income	16	210602.39	687747.37
III	<b>Total Revenue (I+II)</b>		<b>62797302.91</b>	<b>75514164.67</b>
IV	Expenses:			
	Cost of Materials consumed		43900184.12	61790080.23
	Changes in Inventories:	17		
	Finished Goods		699226.37	(8342509.37)
	Work-in- Progress and stock-in- trade		0.00	0.00
	Manufacturing Expenses	18	2278939.97	2545125.28
	Employees benefit Expenses	19	6004637.52	6242656.56
	Finance Costs	20	2184703.25	1669367.63
	Depreciation and amortization expenses		1874084.00	2370196.00
	Other Expenses	21	4832446.45	7575995.83
	<b>Total Expenses</b>		<b>61774221.68</b>	<b>73850912.16</b>
V	<b>Profit Before Tax (VII - VIII)</b>		1023081.23	1663252.51
VI	Tax Expenses			
	(i) Current Tax	233392.00	460711.00	(33811.00)
	(ii) Deferred Tax	26114.00	173005.00	
	(iii) Transferred to Spl. Reserve	78144.00	37110.00	
	(iv) Trf. to bad & Doubtful Reserve	26007.00	(71026.02)	
	(v) Earlier Year Tax	43483.38		565988.98
VII	<b>Profit for the period from continuing operations (IX-X)</b>		615940.85	1097263.53
VIII	Profit from Discontinuing operations		0.00	0.00
IX	Tax expenses of discontinuing operation		0.00	0.00
X	<b>Profit from Discontinuing Operations (after Tax (XII - XIII))</b>		0.00	0.00
XI	<b>Profit(loss) for the period (XI + XIV)</b>		615940.85	1097263.53
XII	Earning Per Equity Share			
	(i) Basic		0.01	0.02
	(ii) Diluted			

Schedule no. I-22 forms the part of the Balance Sheet and Profit and Loss A/c


"As per our report of even date"

For Garg Anil & Company  
Chartered Accountants

  
Anil Garg  
PARTNER  
M. No. -085017  
Firm Regn. No. 6308N

For Advik Capital Limited and Advik Optoelectronics Ltd.

  
Virender Kumar Agarwal  
(Managing  
DIN- 00531255

  
Shakul Kumar Agarwal  
(Director)  
DIN- 03590891

Date : 26/06/2021

Place : Delhi



**ADVIK CAPITAL LIMITED AND ADVIK OPTOELECTRONICS LIMITED (CONSOLIDATED)**  
**NOTES TO FINIANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH 2021**

**Note No-1 - SHARE CAPITAL**

**1 Share Capital**

SHARE CAPITAL	As at 31 March 2021		As at 31 March 2020	
	Number	Amount	Number	Amount
<b>Authorised Capital</b>				
Equity Shares of Rs. 10/- each	47373600	60873600.00	47373600	60873600
<b>Issued Subscribed and paid up</b>				
Equity Shares of Rs. 10/- each fully paid up	47373600	60873600.00	47373600	60873600
<b>Total</b>	<b>47373600</b>	<b>60873600.00</b>	<b>47373600.00</b>	<b>60873600</b>

**2 Reconciliation**

Particulars	Equity Shares		Preference Shares	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1500000	15000000.00	0	0.00
Shares issued during the year	0	0.00	0	0.00
Shares bought back during the year	0.00	0.00	0	0.00
Shares outstanding at the end of the year	1500000	15000000.00	0	0.00

**3 Shareholdings**

Name of Shareholder	As at 31 March 2021		As at 31 March 2020	
	Number of	% of Holding	Number of Shares	% of Holding
	Shares held		held	
List Attached	46023600	100.00	46023600	100.00

**Note No-2 Reserves & Surplus**

Reserves & Surplus	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
<b>1 Securities Premium Account</b>		
Opening Balance	46595000.00	46595000.00
Add: Securities Premium credited on shares issued	0.00	0.00
Closing Balance	<u>46595000.00</u>	<u>46595000.00</u>
<b>2 Amalgamation reserve</b>		
Opening Balance	4416651.00	4416651.00
(+) Current Year Transfer	0.00	0.00
(-) Written back in Current Year		
Closing Balance	<u>4416651.00</u>	<u>4416651.00</u>
<b>2A Spl. Reserve (1) as per RBI ACT.</b>		
Balance B/F	700083.00	521093.00
Amount transferred from P & L A/c	78144.00	178990.00
Closing Balance	<u>778227.00</u>	<u>700083.00</u>
<b>2B Res. For Bad &amp; Doubtful Debts</b>		
Balance B/F	397307.00	361509.00
Amount transferred from P & L A/c	26007.00	35798.00
Closing Balance	<u>423314.00</u>	<u>397307.00</u>
<b>3 Surplus (Profit &amp; Loss A/c)</b>		
Opening Balance	4851398.37	3810490.84



(+) Net Profit for the Current Year	615940.85	1040907.53
Closing Balance	5467339.22	4851398.37
<b>Total</b>	<b>57680531.22</b>	<b>56960439.37</b>

**Note No-3 Long Term Borrowings**

Long Term Borrowings	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
<b>Secured</b>		
a Bank OD	9623000.08	11408899.57
b Car Loan	0.00	54450.00
c HDFC Car Loan	1328567.25	1583708.00
d HDFC BANK CAR LOAN ACCOUNT NO-	1273112.74	0.00
e Indusind Bank A/c No-570000010144	2284744.00	0.00
	14509424.07	13047057.57
<b>Unsecured</b>		
1 Loans and Advances from related parties	1450000.00	1450000.00
Advik Global Ltd	250000.00	0
Advik Opto Electronics Ltd	1700000.00	1450000.00
2 Other	2570000.00	2570000.00
Altolite Electro Signs Pvt Ltd	1194510.53	1790328.34
India Infoline Finance Ltd	1722664.58	2651273.86
IDFC FIRST BANK- NO-25011638	544963.00	0.00
IDFC FIRST BANK- NO-32558425	1800000.00	0.00
IDFC FIRST BANK- NO-42041736	400000.00	0.00
Manju Agarwal	4100000.00	3000000.00
Virender Kumar Agarwal	12332138.11	10011602.20
<b>Total</b>	<b>28541562.18</b>	<b>24508659.77</b>

**Note No-3A Short Term Borrowings**

Pay-U Money	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>

**Note No-4 Deferred tax liability (net)**

Deferred Tax Liability (net)	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
(a) Deffered Tax Liability		
- Depreciation net of difference in composition of actual cost of assets	103757.00	285496
- Expenses disallowed under section 43	257657.00	283771
(b) Deffered Tax Assets	0.00	0
<b>Deferred Tax Liability (net)</b>		



**Note No-5 Trade Payables**

Trade Payables	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
Total outstanding dues of micro enterprises and small enterprises	10380481.41	11781057.47
Total outstanding dues of creditors other than micro enterprises and small enterprises	0	0
	<u>10380481.41</u>	<u>11781057.47</u>

**Note No-6 Other Current Liabilities**

Other Current Liabilities	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
Advance Received from Customers	429823.00	1000000.00
	<u>429823.00</u>	<u>1000000.00</u>

**Note No-7 Short Term Provision**

Short Term Provision	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
Exp. Payable	597020.84	638367.90
Corporate Tax Payable	92413.00	262695.00
	<u>689433.84</u>	<u>901062.90</u>

**Note on-8 Property, Plant and Equipment**

Property, Plant and Equipment	Gross Block			
	Balance as at 01/04/2020	Additions/ (Disposals)	acquired through business combinatio	Revaluations/ impairment

**a. Tangible Assets**

LIFT	590000.00	0.00	0.00	0.00	590000.00
Furniture & fixture	653489.46	0.00	0.00	0.00	653489.46
Plant & Machinery	11520102.11	69250.00	0.00	0.00	11589352.11
Lab Equipment	3709072.18	0.00	0.00	0.00	3709072.18
Office Equipment	626585.98	10169.00	0.00	0.00	636754.98
Computer / Laptop	1350700.55	0.00	0.00	0.00	1350700.55
D.G. Set 62.50 KVA	475555.00	0.00	0.00	0.00	475555.00
Mobile phone / Wireless System	421301.76	43220.34	0.00	0.00	464522.10
Dies & Tools	763301.48	0.00	0.00	0.00	763301.48
CAR	3738489.00	841933.00	0.00	0.00	4580422.00
UPS 30 KVA	479496.00	0.00	0.00	0.00	479496.00
Cantainer Storage	38000.00	0.00	0.00	0.00	38000.00
Surge Generator	546503.10	0.00	0.00	0.00	546503.10
Transformer	23273.72	0.00	0.00	0.00	23273.72
Office Space at Manesar	11127800.00	0.00	0.00	0.00	11127800.00
Air conditioner	132072.00	0.00	0.00	0.00	132072.00
EPBAX	9565.00	0.00	0.00	0.00	9565.00
Refrigertor	59402.00	0.00	0.00	0.00	59402.00
Vehicle	4315999.00	-4315999.00	0.00	0.00	0.00
<b>Total</b>	<u>40580708.34</u>	<u>-3351426.66</u>	<u>0.00</u>	<u>0.00</u>	<u>37229281.68</u>



<b>b Capital Work in Progress</b>					
Building Construction	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>40580708.34</b>	<b>-3351426.66</b>	<b>0.00</b>	<b>0.00</b>	<b>37229281.68</b>

Property, Plant and Equipment	Accumulated Depreciation				Balance as at 31/03/2021
	Balance as at 01/04/2020	Depreciation Charge for the year	Adjustment due to revaluation	on disposal	

<b>a. Tangible Assets</b>					
LIFT	356578.00	35192.00	0.00	0.00	391770.00
Furniture & fixture	531878.46	18886.00	0.00	0.00	550764.46
Plant & Machinery	6289102.12	713809.00	0.00	0.00	7002911.12
Lab Equipment	2170598.18	182006.00	0.00	0.00	2352604.18
Office Equipment	389779.00	34354.00	0.00	0.00	424133.00
Computer / Laptop	909174.30	52455.00	0.00	0.00	961629.30
D.G. Set 62.50 KVA	300319.00	20719.00	0.00	0.00	321038.00
Mobile phone / Wireless System	209139.36	34271.00	0.00	0.00	243410.36
Die & Tools	237134.00	62499.00	0.00	0.00	299633.00
CAR	1464837.00	625368.00	0.00	0.00	2090205.00
UPS 30 KVA	273522.00	24353.00	0.00	0.00	297875.00
Container Storage	4872.00	3917.00	0.00	0.00	8789.00
Surge Generator	45337.00	59255.00	0.00	0.00	104592.00
Transformer	1920.00	2525.00	0.00	0.00	4445.00
Office Space at Manesar	0.00	0.00	0.00	0.00	0.00
Air conditioner	110255.00	3035.00	0.00	0.00	113290.00
EPBAX	8128.00	200.00	0.00	0.00	8328.00
Refrigerator	50490.00	1240.00	0.00	0.00	51730.00
Vehicle	4091104.00	0.00	0.00	4091104.00	0.00
<b>Total</b>	<b>17444167.42</b>	<b>1874084.00</b>	<b>0.00</b>	<b>4091104.00</b>	<b>15227147.42</b>

<b>c. Capital Work in Progress</b>					
Building Construction	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>17444167.42</b>	<b>1874084.00</b>	<b>0.00</b>	<b>4091104.00</b>	<b>15227147.42</b>

Property, Plant and Equipment
-------------------------------

Net Block	
Balance as 01/04/2020	Balance as 31/03/2021

<b>a. Tangible Assets</b>		
LIFT	233422.00	198230.00
Furniture & fixture	121611.00	102725.00
Plant & Machinery	5230999.99	4586440.99
Lab Equipment	1538474.00	1356468.00
Office Equipment	236806.98	212621.98
Computer	441526.25	389071.25
D.G. Set 62.50 KVA	175236.00	154517.00
Mobile phone / Wireless System	212162.40	221111.74
Die & Tools	526167.48	463668.48
CAR	2273652.00	2490217.00
UPS 30 KVA	205974.00	181621.00
Container Storage	33128.00	29211.00
Surge Generator	501166.10	441911.10
Transformer	21353.72	18828.72



Office Space at Manesar	11127800.00	11127800.00
Air conditioner	21817.00	18782.00
EPBAX	1437.00	1237.00
Refrigerator	8912.00	7672.00
Vehicle	224895.00	0.00
<b>Total</b>	<b>23136540.92</b>	<b>22002134.26</b>
<b>c. Capital Work in Progress</b>		
Building Construction	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>23136540.92</b>	<b>22002134.26</b>

**Note No-9 Non Current Investments**

a	As at 31 March 2021	As at 31 March 2020
	Amount	Amount
Non Current Investments		
Advik Optoelectronics Ltd	14844000.0	14844000.0
	<b>14844000.0</b>	<b>14844000.0</b>

**Note No-9A Long Term Loans and Advances**

a	As at 31 March 2021	As at 31 March 2020
	Amount	Amount
Long Term Loans and Advances		
Security Deposits		
Unsecured Considered Good	10434.00	10434.00
	<b>10434.00</b>	<b>10434.00</b>
	10434.00	10434.00

**Note No-10 Inventories**

a	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
Inventories		
finished Goods	2538877.35	26088103.72
	<b>2538877.35</b>	<b>26088103.72</b>

**Note No-11 Trade Receivables**

Trade Receivables	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
Trade Receivables outstanding for a period less than six months from the		
Secured, Considered good	0.00	0.00
Unsecured, Considered good	23672559.48	21331349.52
	<b>23672559.48</b>	<b>21331349.52</b>
	23672559.48	21331349.52



**Note No-12 Cash and cash equivalents**

Cash and cash equivalents	As at 31st March 2021	As at 31st March 2020
	Amount	Amount
a Balance with banks		
Scheduled Banks	168392.37	226280.93
c Cash in hand	777883.09	574352.10
d USDS	0.00	0.00
e FDR Indusind Bank Ltd Against BG	107735.31	100000.00
	<u>1054010.77</u>	<u>900633.03</u>

**Note No-13 Short Term Loans and Advances**

Short Term Loans and Advances	As at 31 March 2021	As at 31 March 2020
	Amount	Amount
a <b>Security Deposits</b>		
NDPL Security	106500.00	106500.00
Rishab Kumar Aggarwal( security against property lease)	0.00	0.00
Shakul Kumar Aggarwal ( security against property lease)	1600000.00	2000000.00
Skyline Financial Services Pvt Ltd	10000.00	10000.00
	<u>1716500.00</u>	<u>2116500.00</u>
b <b>Others</b>		
Hyundai Merchant Marie India Pvt Ltd	0.00	30000.00
Advik Capital Ltd	250000.00	0.00
MANN SONS CHITS PVT LTD	200000.00	
Basant Projects Limited	60500000.00	57925806.00
	<u>60950000.00</u>	<u>57955806.00</u>
	<u>62666500.00</u>	<u>60072306.00</u>

**Note No-14 Other Current Assets**

Other Current Assets	As at 31 March 2021	As at 31st March 2020
	Amount	Amount
a Vat Refundable	1185134.00	1185134.00
b GST Carried forward	2375629.79	1933989.32
c Interest Receivable	4383444.00	5741940.00
d Income Tax Refundable	106970.00	106970.00
e TDS A.Y. 2021-22	258433.00	0.00
g IT Refundable A.Y. 2020-21	389648.00	389648.00
	<u>8699258.79</u>	<u>9357681.32</u>

**Note No-15 Revenue from Operations**

Revenue from Operations	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
Sale of Products	57743111.52	68070738.30
Transport Charges	72300.00	0.00
Interest Income	4771289.00	5822799.00
Sale of Shares	0.00	332880.00
Service Charges	0.00	600000.00
	<u>62586700.52</u>	<u>74826417.30</u>



**Note No-16 Other Income**

Other Income	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
Rebate & Discount	117384.04	586768.55
Interest Received	8655.06	0.00
Short & Excess	4458.29	0.00
Profit on sale of Vehicle	80105.00	88952.00
		12026.82
	<u>210602.39</u>	<u>687747.37</u>

**Note No-17 Change in Stock**

Change in Stock	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
Opening Stock :		
Finished Goods	26088103.72	17745594.35
Closing Stock :		
Finished Goods	25388877.35	26088103.72
Change in Stock :	<u>699226.37</u>	<u>(8342509.37)</u>

**Note No-18 Manufacturing Expenses**

Manufacturing Expenses	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
<b>1 Manufacturing Expenses</b>		
Fright & Cartage	306143.79	476279.59
Consumables	340660.18	126445.96
Electricity / Water Exp.	1004314.00	1507643.28
Clearing & Forwarding Expenses	612822.00	267058.66
Custom Duty	15000.00	31735.00
Goods Import Exp.	0.00	133382.44
Currency Fluctuation Charges	0.00	2580.35
	<u>2278939.97</u>	<u>2545125.28</u>

**Note No-19 Employee benefit expenses**

Employee Benefit Expenses	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
a Salaries and incentives	2559452.00	3263972.00
b Director Remuneration	2700000.00	2700000.00
c Staff Welfare	209046.08	266289.56
d HRA	158321.00	0.00
e SPL Allowance	156069.00	0.00
f Conveyance Allowance	96859.00	0.00
g Medical Allowance	57047.00	3000.00
h Uniform to Staff	67843.44	9395.00
	<u>6004637.52</u>	<u>6242656.56</u>



**Note No-20 Finance Cost**

Finance Cost	For the year ended 31.03.2021	As at 31st March 20
	Amount	Amount
Bank Charges	110062.93	312431.34
Interest Paid	2074640.32	1356936.29
	<u>2184703.25</u>	<u>1669367.63</u>

**Note No-21 Other Expenses**

Other Expenses	For the year ended 31.03.2021	As at 31st March 2020
	Amount	Amount
<b>1 Administrative &amp; Other Expenses</b>		
Audit Fee	45780.00	42000.00
Advertisement Exp.	50327.00	68852.38
Business Promotion	71250.50	143369.88
Website Exp.	21607.52	69874.40
Lift Repair & Maint.	60650.00	5500.00
Computer Repair & Maint.	36073.93	59011.00
Conveyance Exp.	19948.00	34107.00
Frieght & Cartage Outword Expenses	199434.35	0.00
Sticker	0.00	17882.00
Printing & Stationery	13523.48	22675.22
Fees & Subscription	47897.00	86681.78
House Tax	35533.00	56462.00
Internet Exp.	22142.45	37443.60
Office Expenses & Maint.	27500.00	51542.54
Postage, Telephone, Telegram & Courier	31098.36	50240.76
Repair & Running charges for DG Set	22843.95	23599.05
Travelling & Conveyance	76311.00	190319.89
Legal & Professional Fee	266280.76	790000.00
Insurance charges	141940.52	236212.33
Rent	1364500.00	1222666.00
General Expenses	122931.57	90045.40
Repair & Maint.	628140.36	361708.13
Repair & Maintanance -Plant & Machinery	23800.00	433664.59
ROC Fees	10819.18	19960.08
Agency Charges	0.00	20000.00
Vehicle Running & Maint.	577369.47	582890.34
Round Off / Short & Excess	(125.11)	3801.24
India Mart Web Services Expenses	0.00	51205.00
Clearing Expenses	2250.00	0.00
Festival Exp.	26024.00	130188.26
Foreign Tour & Travelling	0.00	283594.00
Security Charges	42000.00	30645.00
BIS Fees & Expenses	43000.00	565000.00
Commission on Sale	63711.00	707051.00
Charity & Donation	8000.00	21000.00
Transportation Charges	0.00	24000.00
Labour Charges	0.00	2267.04
Packing Expenses	5900.00	0.00
Loading & Unloading Expenses	136700.00	0.00
Service Charges	0.00	300.00
Rate & Taxes Expenses	33108.00	6161.00
Safety Material for COVID-19	7100.00	0.00
BSE Registration Fees & Other Fees	516560.00	300000.00
Annual Genral Meeding Exp.	0.00	43040.00
Deffered Capital Exp. w/off	0.00	688104.00
Short & Excess	516.16	2930.92
Accountancy Charges	30000.00	0.00
	<u>4832446.45</u>	<u>7575995.83</u>





Note No 22 Cost of material consumed

Opening stock	0.00	601293.67
Purchase of Share	0	15945.65
Total	<u>0.00</u>	<u>617239.32</u>
Less: Closing stock	<u>0.00</u>	<u>0</u>
Cost of Material Consumed	<u>0</u>	<u>617239.32</u>



**ADVIK CAPITAL LIMITED AND ADVIK OPTOELECTRONICS LIMITED (CONSOLIDATED)**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2021**

**1. Significant accounting policies**

**(i) Basis for preparation of Financial Statements**

The financial statements which have been prepared under the historical cost convention on the accrual basis of accounting, are in accordance with the applicable requirements of the Companies Act, 2013 (the 'Act') and comply in all material aspects with the Accounting Standards prescribed by the Central Government, in accordance with the Companies (Accounting Standards) Rules, 2006 as adopted consistently by the company, to the extent applicable.

The presentation of financial statements in conformity with GAAP requires management of the Company to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in future, actual results ultimately may differ from the estimates.

**(ii) Revenue recognition**

The Company derives its revenue from the operations of of NBFC and Electrical Goods Supplier like LED SIGNAGES / Machinery etc.. By subsidiary

The revenue from its operations is recorded on accrual basis.

**(iii) Expenditure**

Expenses are accounted for on accrual basis and provisions are made for all known losses and liabilities.

**(iv) Fixed assets/ Depreciation & Amortization**

NIL

**(v) Impairment of Assets**

All assets other than inventories, financial assets including investments and deferred tax asset, are reviewed for impairment, to determine any events or changes in circumstances which might indicate that the carrying amount may not be recoverable as per the provisions of applicable Accounting standards. If such indication exists the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. The recoverable amount is higher of asset's net selling price and value in use which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An Impairment loss is charged to the profit & loss account in the year in which an asset is impaired.

Reversal of impairment loss is recognized immediately as income in the Profit & loss account.

**(vi) Employee benefits**

**(a) Short term employee benefits**

Short term employee benefits are recognized in the period during which the services have been rendered.

**(vii) Provision for tax**

Tax expense for the year comprises current and deferred is included in determining the net profit for the year.

Provision for current tax is based on the tax liabilities computed in accordance with the provisions of the Income Tax Act, 1961.

**(viii) Provision, Contingent Liabilities and Contingent Assets**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**(ix) Earning per share**

Basic Earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders after tax (and including post tax effect of any extra-ordinary item) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period, are adjusted for events of bonus issue to existing shareholders.



For the purpose of calculating diluted earning per share, the net profits or loss attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effects of all dilutive potential equity shares, if any. this is the 1st year of the company hence previous year figures are not given

Schedule no. 1-21 forms the part of the Balance Sheet and Profit and Loss A/c

For Advik Capital Ltd & Advik Optoelectronics Ltd.



Virender Kumar Agarwal  
(Managing Director )  
Din: 00531255

Shakul Kumar Agarwal  
(Director)  
Din: 0359089I

Date : 26/06/2021

Place : Delhi

"As per our report of even date"

For Garg Anil & Company  
Chartered Accountants



Anil Garg  
Partner  
M. No. - 085017  
Firm Regn. No. 6308N

## **MATERIAL DEVELOPMENTS**

There have not arisen, since the date of the last financial statements disclosed in this Letter of Offer, any circumstances which materially and adversely affect or are likely to affect our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months. For further details,

please refer to the chapter titled "Management's Discussion and Analysis of Financial Position and Results of Operations" beginning on page 99 of this Letter of Offer.

## ACCOUNTING RATIO

### Other Financial Information

#### Accounting Ratio

The details of our accounting ratios are as follows:

Particulars	(Derived from Financial statement)		
	Period ended Dec 31, 2021	Year ended March 31, 2021	Year ended March 31, 2020
Basic Earnings Per share (Rs.)	0.07	0.01	0.02
Diluted Earnings Per share (Rs.)	0.07	0.01	0.02
<b>Return on Net Worth</b>			
Profit for the period/year (A)	33,76,000	6,15,941	10,97,264
<b>Net Worth</b>			
Equity Share Capital	6,08,73,600	6,08,73,600	6,08,73,600
Other Equity*	6,10,56,531	5,76,80,531	5,69,60,439
Net Worth at the end of period/year (B)	12,19,30,131	11,85,54,131	11,78,34,039
<b>Return on Net worth (%=A/B)</b>	2.77%	0.52%	0.93%
<b>Net Assets Value per Equity Share</b>			
Net worth at the end of the period/year** (C)	12,19,30,131	11,85,54,131	11,78,34,039
Number of equity shares outstanding at the end of the period/year** (D)	4,58,73,600	4,58,73,600	4,58,73,600
Net assets value per equity Share (Rs.) (C/D)	2.66	2.58	2.57
*This includes capital reserves and other reserves			
**Net Worth is derived from the Financial Statement and comprises of equity share capital and other equity.			
<b>Notes:</b>			
1. The figures disclosed above are derived from the Financial Statement.			
2. The ratio has been computed as below:			
Basic Earning Per Share =	$\frac{\text{Net Profit after Tax}}{\text{Weighted average number of equity shares outstanding during the period/year}}$		
Diluted Earning Per Share =	$\frac{\text{Net Profit after Tax}}{\text{Weighted average number of equity shares outstanding during the period/year}}$		
Return on net worth (%) =	$\frac{\text{Net Profit after Tax}}{\text{Net Worth}}$		
Return on net worth (%) =	$\frac{\text{Net Worth}}{\text{Number of equity shares as at the period/year end}}$		
3. Earnings per share (EPS) calculation is in accordance with Ind-AS 33 - Earning per share			
4. Weighted average number of shares is the number of equity shares outstanding at the beginning of the period adjusted by the number of equity shares issued during period, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.			

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS**

The following discussion of our financial condition and results of operations should be read in conjunction with the "Financial Statements" beginning on page 71 of this Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and "Forward Looking Statements" beginning on page 17 and 12, respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2021 included herein is based on the Audited Financial Statements and the financial information included herein for the nine months ended December 31, 2021 is based on the Unaudited December Financial Results, included in this Letter of Offer. For further information, see "Financial Statements" beginning on page 71 of this Letter of Offer

Neither we, nor the BRLMs, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see "Presentation of Financial and other Information – Market and Industry Data" beginning on page 10 of this Letter of Offer.

Our Company was originally incorporated as 'Quick Credit Limited' in New Delhi on November 14, 1985 as a public limited company under the Companies Act, 1956, and was granted the certificate of incorporation by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was granted the Certificate for Commencement of Business on November 20, 1985 by the Registrar of Companies, Delhi and Haryana at New Delhi. Our Company was registered as Non-Banking Financial Company vide certificate of registration dated January 7, 2003 bearing No. B- 14.00724 under section 45 I(A) of the Reserve Bank of India Act, 1934.

In the beginning of year 2010, our Company underwent change of Control in terms of Regulation 12 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 1997. Pursuant to the change of Control, Mr. Virendra Kumar Aggarwal and Mr. Rishab Kumar Aggarwal became Promoter of the Company and the then existing Promoter(s) ceased to be the Promoter of the Company.

In year 2010, pursuant to scheme of amalgamation, under section 391 (2) and 394 of the Companies Act, 1956, approved by Hon'ble High Court of Delhi, our Company was amalgamated with Du-Lite Safety Services Private Limited which was engaged in the business of trading of electrical and safety devices.

Subsequently, the name of our Company was changed to 'DU-Lite Industries Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on September 20, 2010. The name of the Company was changed again to 'Advik Industries Limited' and our Company received a fresh certificate of incorporation which was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on February 24, 2011. Finally, the name of our Company was changed to 'Advik Capital Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on July 7, 2017. Further, the Company procured a Certificate of Registration from Reserve Bank of India as a Non-Banking Financial Company on August 24, 2017 in the new name.

Our Company is a non-deposit taking Non-Banking Financial Company registered with the RBI. Our Company is engaged primarily in the business of providing financial loans and in providing ancillary services related to the said business activities.

### **SIGNIFICANT DEVELOPMENTS AFTER DECEMBER 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Letter of Offer, no other circumstances have arisen which would materially and adversely affect

or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months

**SUMMARY OF THE RESULTS OF OPERATION:**

(Rs. in Lakhs)

Particulars	As on 31.12.2021	For the year ended March 31,	
		2021	2020
<b><u>Revenue:</u></b>			
	-		
Sales of products manufactured/traded	-	577.43	680.71
<i>As a % of Total Revenue from Operation</i>	-	91.95	90.14
Sales of Services	1,236.50	48.44	67.56
<i>As a % of total Revenue from Operation</i>	99.34	7.71	8.95
<b>Revenue From Operations (Net of Taxes)</b>	<b>1,236.50</b>	<b>625.87</b>	<b>748.26</b>
<i>As a % of Total Revenue</i>	99.34	99.66	99.09
Other Income	8.26	2.11	6.88
<i>As a % of Total Revenue</i>	0.66	0.34	0.91
<b>Total Revenue</b>	<b>1,244.76</b>	<b>627.97</b>	<b>755.14</b>
<b><u>Expenses:</u></b>			
	-		
Cost of Material Consumed	124.83	439.00	617.90
Purchase of Stock-In-Trade	975.71	-	-
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-19.37	6.99	-83.43
Manufacturing Expenses	-	22.79	25.45
Employee benefit expenses	42.71	60.05	62.43
Financial Cost	15.34	21.85	16.69
Depreciation and amortization expenses	7.52	18.74	23.70
Others Expenses	51.27	48.32	75.76
<b>Total Expenses</b>	<b>1,198.01</b>	<b>617.74</b>	<b>738.51</b>
<i>As a % of Total Revenue</i>	96.24	98.37	97.80
<b>Profit before tax</b>	<b>46.75</b>	<b>10.23</b>	<b>16.63</b>
<i>As a % of Total Revenue</i>	3.76	1.63	2.20
<b><u>Tax expense :</u></b>			
Current tax	13.01	2.77	3.90
Deferred Tax	-0.02	0.26	-0.34
<b>Total Tax Expenses</b>	<b>12.99</b>	<b>3.03</b>	<b>3.56</b>
<i>As a % of Total Revenue</i>	0.22	1.06	0.94
Transfer to other Reserve	-	1.04	2.10
<b>Profit/(Loss) for the period After Tax (PAT)</b>	<b>33.76</b>	<b>6.16</b>	<b>10.97</b>
<i>As a % of Total Revenue</i>	2.71	0.98	1.45

## **OVERVIEW OF RESULTS OF OPERATION**

### **Comparison of Financial Year ended March 31, 2021 with Financial Year ended March 31, 2020**

#### ***Revenue from Operations:***

The operating income of the Company for the year ending March 31, 2021 is ₹ 625.87 Lakhs as compared to ₹748.26 Lakhs for the year ending March 31, 2020 showing a decrease of 16.36% which is as a result of reduction in sale of Manufactured/traded Goods.

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

The other income of the company for the year ending March 31, 2021 is ₹ 2.11 lakhs as compared to ₹ 6.88 lakhs for the year ending March 31, 2020, showing a decrease of 69.38%. Interest and other income is received less in comparison to previous year.

#### ***Expenditure***

Employee benefit expenses decreased from ₹ 62.43 Lakhs in financial year 2019-20 to ₹ 60.05 Lakhs in financial year 2020-21. Our other expenses decreased by 36.21% from ₹ 75.76 Lakhs in financial year 2019-20 to ₹ 48.32 Lakhs in financial year 2020-21. Other Expenses mostly includes freight outward, travelling & conveyance expenses, Professional & Consultancy fees, Rent and other misc. expenses.

#### ***Cost of Material Consumed:***

Material Consumed Cost decreased from ₹ 617.90 Lakhs in financial year 2019-20 to ₹ 439.00 Lakhs in financial year 2020-21.

#### ***Depreciation***

Depreciation expenses decreased from ₹ 18.74 Lakhs in financial year 2019-20 to ₹ 23.70 Lakhs in financial year 2020-21.

#### ***Profit before Tax***

Profit before tax decreased from ₹ 16.63 Lakhs in financial year 2019-20 to ₹ 10.23 Lakhs in financial year 2020-21.

#### ***Disclaimer***

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations are "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price



## SECTION VI – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 20% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company; (ii) material violations of statutory regulations by our Company; (iii) economic offences where proceedings have been initiated against our Company; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

Pre-litigation notices received by our Company from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) shall not be evaluated for materiality until such time our Company are impleaded as defendants in litigation proceedings before any judicial forum.

#### I. Litigation involving our Company

##### A. Litigation filed against our Company

###### 1. Criminal proceedings

NIL

###### 2. Outstanding actions by regulatory and statutory authorities

NIL

###### 3. Civil proceedings

NIL

##### B. Litigation filed by our Company

###### 1. Criminal proceedings

NIL

###### 2. Civil proceedings

NIL

##### C. Tax proceedings

		(in ₹)
<b>Particulars</b>	<b>No. of cases</b>	<b>Amount involved</b>
Direct Tax	Not Ascertainable*	29,270
Indirect Tax	-	-
<b>Total</b>	<b>Not Ascertainable*</b>	<b>29,270</b>

\*since it includes the TDS defaults for the "prior years"

**II. Litigation involving our Subsidiaries**

A. *Litigation filed against our Subsidiaries*

1. **Criminal proceedings**

NIL

2. **Outstanding actions by regulatory and statutory authorities**

NIL

3. **Civil proceedings**

NIL

B. *Litigation filed by our Subsidiaries*

1. **Criminal proceedings**

NIL

2. **Civil proceedings**

NIL

C. *Tax proceedings*

(in ₹)

<b>Particulars</b>	<b>No. of cases</b>	<b>Amount involved</b>
Direct Tax	Not Ascertainable*	20,766
Indirect Tax	-	-
<b>Total</b>	<b>Not Ascertainable*</b>	<b>20,766</b>

\*since it includes the TDS defaults for the "prior years"

## GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from governmental and regulatory authorities that are material for carrying on our present business activities. Some of the approvals and licenses that our Company requires for our business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time.

We are not required to obtain any licenses or approvals from any government or regulatory authority in relation to the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" beginning on page 42 of this Letter of Offer.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Issue

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

1. Resolution passed by our Board of Directors under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on December 28, 2021.
2. Resolution passed by the members of our Company under Sections 62(1)(a) and other provision of the Companies Act, at their meeting held on January 29, 2022.
3. In-principle approval from BSE pursuant to its letter dated February 25, 2022.

The Board of Directors in their meeting held on **March 4, 2022** have determined the Issue Price as **2.85** per Equity Share and the Rights Entitlement as **19** Rights Equity Share(s) for every **5** Equity Share(s) held on the Record Date.

Our Company has been allotted the ISIN INE178T20016 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 111 of this Letter of Offer.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Letter of Offer.

Further, our Promoter and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. None our Directors or Promoter is associated with the securities market in any manner. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Letter of Offer.

Neither our Promoter nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

### Prohibition by RBI

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

### Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

### Eligibility for the Issue

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

### Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI

ICDR Regulations, our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

#### **Disclaimer Clause of SEBI**

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

#### **Disclaimer Clause of BSE**

BSE Limited ("**the Exchange**") has given *vide* its letter dated February 25, 2022, permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- (i) Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- (ii) Warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- (iii) Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

#### **Disclaimer from our Company and our Directors**

Our Company and our Directors accept no responsibility for statements made other than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information, including our Company's website [www.advikgroup.com](http://www.advikgroup.com), or any affiliate(s) of our Company would be doing so at their own risk.

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

#### **Disclaimer in respect of Jurisdiction**

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

#### **Designated Stock Exchange**

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

#### **Listing**

Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

## **Selling Restrictions**

This Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. This Letter of Offer is not to be reproduced or distributed to any other person.

The distribution of this Letter of Offer, Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and the issue of Rights Entitlements and Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer, Letter of Offer, Abridged Letter of Offer Application Form and the Rights Entitlement Letter only to Eligible Equity Shareholders who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, Letter of Offer, Abridged Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchange.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and this Letter of Offer or any offering materials or advertisements in connection with the Issue or Rights Entitlement may not be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. If this Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in this Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of this Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information. Each person who exercises Rights Entitlements and subscribes for Equity Shares, or who purchases Rights Entitlements or Equity Shares shall do so in accordance with the restrictions set out below.

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

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

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. Envelopes

containing an Application Form should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and this Letter of Offer, Letter of Offer/ Abridged Letter of Offer, Application Form and the Rights Entitlement Letter will be dispatched to the Eligible Equity Shareholders who have provided an Indian address to our Company. Any person who acquires the Rights Entitlements and the Equity Shares will be deemed to have declared, represented, warranted and agreed, by accepting the delivery of the Letter of Offer, (i) that it is not and that, at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made; and (ii) is authorised to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws, rules and regulations.

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

None of the Rights Entitlements or the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States. Accordingly, the Rights Entitlements and Equity Shares are being offered and sold only outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales are made.

#### **NO OFFER IN ANY JURISDICTION OUTSIDE INDIA**

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

#### **Consents**

Consents in writing of: our Directors, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated February 14, 2022 from our Statutory Auditor, to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated February 14, 2022 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

#### **Expert Opinion**

Our Company has received written consent dated February 14, 2022 from our Statutory Auditor to include their name as required in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated February 14, 2022 and such consent has not been

withdrawn as of the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

Except for the abovementioned documents, provided by our Auditors, our Company has not obtained any expert opinions.

#### **Performance vis-à-vis objects – Public/ Rights Issue of our Company**

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

#### **Performance vis-à-vis objects – Last issue of listed Subsidiaries or Associates**

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

#### **Filing**

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

#### **Mechanism for Redressal of Investor Grievances**

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has a Stakeholders Relationship Committee which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights. Skyline Financial Services Pvt. Ltd is our Registrar and Share Transfer Agent for this issue. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Investor complaints received by our Company are typically disposed of within 15 days from the receipt of the complaint.

**Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post Issue related matter. All grievances relating to the ASBA process or the R-WAP process may be addressed to the Registrar, with a copy to the SCSBs(in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of the R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the e-acknowledgement (in case of the R-WAP process). For details on the ASBA process and R-WAP, see "*Terms of the Issue*" beginning on page 111 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:**



### **Investor Grievances arising out of this Issue**

Investors may contact the Registrar to the Issue at:

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

##### **Skyline Financial Services Private Limited**

D-153A, 1st Floor, Okhla Industrial Area,

Phase-I, New Delhi-110020

Telephone: 011-40450193/97

Email: [admin@skylinerta.com](mailto:admin@skylinerta.com),

Website: [www.skylinerta.com](http://www.skylinerta.com)

Investor grievance e-mail: [investors@skylinerta.com](mailto:investors@skylinerta.com)

Contact Person: Ms. Rati Gupta

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

##### **Rashika Gupta**

Plot No. 84, Khasra No. 143/84,

Ground Floor, Extended Lal Dora,

Kanjhawla Delhi-110081

**Telephone:** +91 9289-1199-80, 81, 82

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

## SECTION VII – OFFERING INFORMATION

### TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, before submitting an Application Form. Our Company is not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA process or, R-WAP, as the case may be, are advised to make their independent investigations and to ensure that the Application Form and the Rights Entitlement Letter is correctly filled up.

Please note that in accordance with the provisions of the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 ("**SEBI – Rights Issue Circular**"), all investors (including renouncee) shall make an application for a rights issue only through ASBA facility. However, in view of the COVID-19 pandemic and the lockdown measures undertaken by Central and State Governments, relaxation from the strict enforcement of the SEBI – Rights Issue Circular has been provided by SEBI, vide its Circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, Circular , SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, Circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and Circular SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021. As per the said circulars, all eligible shareholders shall be able to apply to this Issue through an optional mechanism (non- cash mode only), in this case being R-WAP in addition to the ASBA facility.

The Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, Letter of Offer, the Abridged Letter of Offer, including the Application Form and the Rights Entitlement Letter, the MOA and AOA of our Company, the provisions of the Companies Act, the terms and conditions as may be incorporated in the FEMA, applicable guidelines and regulations issued by SEBI or other statutory authorities and bodies from time to time, the SEBI Listing Regulations, terms and conditions as stipulated in the allotment advice or security certificate and rules as may be applicable and introduced from time to time.

### OVERVIEW

The Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, Letter of Offer, the Abridged Letter of Offer, the Application Form and the Rights Entitlement Letter, the Memorandum of Association and the Articles of Association, the provisions of Companies Act, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the SEBI, the RBI or other regulatory authorities, the terms of Listing Agreements entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment Advice.

#### **Important:**

#### **Dispatch and availability of Issue materials**

In accordance with the SEBI ICDR Regulations, our Company will send, only through email, the Abridged Letter of Offer, Application Form and other applicable Issue materials to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company. The Letter of Offer will be provided to those who make a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company/ Depositories or the Eligible Shareholders have not provided valid e-mail addresses to our Company/ Depositories, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided

that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- Our Company at <https://advikgroup.com>
- the Registrar to the Issue at <https://www.skylinerta.com/>
- the Stock Exchange at [www.bseindia.com](http://www.bseindia.com); and
- the Registrar's web-based application platform at <https://www.skylinerta.com/rightissues/>

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at <https://www.skylinerta.com/> by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and such other credentials for validation of the identity of the shareholder, as may be required. The link for the same shall also be available on the website of our Company.

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form. Resident Eligible Shareholders, who are holding Equity Shares in physical form as on the Record Date, can obtain details of their respective Rights Entitlements from the website of the Registrar by entering their Folio Number and such other credentials for validation of the identity of the shareholder, as may be required.

a) *Facilities for Application in this Issue:*

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 (Collectively hereafter referred to as "**SEBI Rights Issue Circulars**") and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as "**ASBA Circulars**"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Resident Individual Investors in this Issue, i.e., R-WAP. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, and therefore will have to apply through ASBA mode. Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP. For details, see "Procedure for Application through the ASBA Process" and "Procedure for Application through R-WAP" on pages 121 and 122 respectively

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/electronic dedicated investor helpdesk on the website of the Registrar to the Issue at <https://www.skylinerta.com/rightissues/> or call helpline number - 011- 40450193-97. For details, see "Procedure for Application through R-WAP" on page 122.

**Registrar's Web-based Application Platform (R-WAP):** In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://www.skylinerta.com/rightissues/>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an

additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

**PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE.**

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/electronic dedicated investor helpdesk (admin@skylinerta.in) or call helpline number (011- 40450193-97 ). For details, see "Procedure for Application through the R-WAP" on page 122.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India.

b) *Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:*

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

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. March 11, 2022 are requested to provide relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) not later than two Working Days prior to the Issue Closing Date i.e. April 7, 2022, in order to be eligible to apply for this Issue. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

In accordance with the SEBI Rights Issue Circulars, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. April 7, 2022 shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.

c) *Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form:*

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised

to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in "*Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form*" on page 128.

d) *Application for Additional Equity Shares:*

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "Basis of Allotment" beginning on page 135.

**Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares.** Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

e) Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an Application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renouncee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled "*Procedure for Application through the ASBA process*" and "*Procedure for Application through R-WAP*" on pages 124 and 125 of the Letter of Offer.

f) Other important links and helpline:

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

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <https://www.skylinerta.com/>
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: <https://www.skylinerta.com/>
- Updation of demat account details by resident Eligible Equity Shareholders holding shares in physical form: <https://www.skylinerta.com/>

### **Renouncees**

All rights or obligations of the Eligible Equity Shareholders in relation to Applications and refunds relating to the Issue shall, unless otherwise specified, apply to the Renouncee(s) as well.

### **Authority for the Issue**

The Board of Directors in its meeting dated December 28, 2021 have authorised this Issue under Section 62(1) (a) of the Companies Act, 2013.

The Board of Directors in their meeting held on March 4, 2022 have determined the Issue Price at ₹ 2.85 per Equity Share. Further the Board of Directors in their meeting held on March 4, 2022 has determined the Rights Entitlement as 19 Rights Equity Share(s) for every 5 fully paid up Equity Share(s) held on the Record Date. Our Company has received in-principle approval from BSE in accordance with Regulation 28 of the SEBI Listing

Regulations for listing of the Rights Equity Shares to be Allotted in the Issue pursuant to letter dated February 25, 2022.

### **Basis for the Issue**

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held dematerialized form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, decided in consultation with the Designated Stock Exchange, but excludes persons not eligible under the applicable laws, rules, regulations and guidelines.

### **Rights Entitlement ("REs") (Rights Equity Shares)**

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., March 11, 2022, are entitled to the number of Rights Equity Shares as set out in the Application Form.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue (<https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company ([www.advikgroup.com](http://www.advikgroup.com)).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and applying through R-WAP.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form to the email addresses as well as to the physical addresses of Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar and our Company through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchanges' websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer will be filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly,

persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person. Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

## **PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE**

Face Value Each Rights Equity Share will have the face value of ₹ 1.

### **Issue Price**

Each Rights Equity Share is being offered at a price of ₹ 2.85 per Rights Equity Share in the Issue.

The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Rights Equity Shares issued in this Issue will be fully paid-up. The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board of Directors of our Company, at its meeting held on March 4, 2022, has determined the Issue Price.

### **Rights Entitlement Ratio**

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 19 Rights Equity Share(s) for every 5 Equity Share(s) held on the Record Date.

### **Rights of instrument holder**

Each Rights Equity Share shall rank *pari passu* with the existing Equity Shares of the Company.

### **Terms of Payment**

The entire amount of the Issue Price of ₹ 2.85 per Rights Equity Share shall be payable at the time of Application.

### **Fractional Entitlements**

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 19 Rights Equity Share(s) for every 5 Equity Share(s) held on the Record Date. For Rights Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 Equity Share(s) or not in the multiple of 5, the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored as above will be given preferential consideration for the Allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares over and above their Rights Entitlement.

For example, if an Eligible Equity Shareholder holds 5 Equity Shares, such Shareholder will be entitled to 1 Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares.

Also, those Equity Shareholders holding less than 5 Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

### **Ranking**

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall rank pari passu with the existing Equity Shares of our Company, in all respects including dividends.

### **Mode of payment of dividend**

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Equity Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

### **Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue**

As per the SEBI – Rights Issue Circular, the Rights Entitlements with a separate ISIN would be credited to the demat account of the respective Eligible Equity Shareholders before the issue opening date. On the Issue Closing date the depositories will suspend the ISIN of REs for transfer and once the allotment is done post the basis of allotment approved by the designated stock exchange, the separate ISIN no. INE178T20016 for REs so obtained will be permanently deactivated from the depository system.

The existing Equity Shares of our Company are listed and traded under the ISIN: **INE178T01024** on BSE (Scrip Code: 539773). Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE subject to necessary approvals. Our Company has received in-principle approval from BSE through letter dated February 25, 2022. All steps for completion of necessary formalities for listing and commencement of trading in the equity shares will be taken within 7 working days from the finalisation of the Basis of Allotment. Our Company will apply to BSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading under the existing ISIN as fully paid-up Equity Shares of our Company.

The temporary ISIN shall be kept blocked till the receipt of final listing and trading approval from the BSE. The Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time. If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will within four days forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid within four days, then our Company and every Director who is an officer in default shall, on and from such expiry of four days, be liable to repay the money, with interest as applicable. For details of trading and listing of Rights Equity Shares, please refer to the heading "Terms of Payment" at page 37 of this Letter of Offer.

### **Subscription to the Issue by our Promoters and Promoter Group**

For details of the intent and extent of the subscription by our Promoters and Promoter Group, see "Capital



Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue" on page 42

### **Compliance with SEBI (ICDR) Regulations**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of holders of Equity Shares**

Subject to applicable laws, the Equity Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to vote in person, or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive surplus on liquidation;
- The right of free transferability of Equity Shares;
- The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited by law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

### **General terms of the Issue**

#### **Market Lot**

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

#### **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. Application Forms would be required to be signed by all the joint holders to be considered valid.

#### **Nomination**

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

**Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective Depository Participant.**

#### **Arrangements for Disposal of Odd Lots**

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

#### **New Financial Instruments**

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

#### **Restrictions on transfer and transmission of shares and on their consolidation/splitting**

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

## **Notices**

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, through email and speed post, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

Further, our Company will undertake all adequate steps to dispatch the physical copies of the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation. Our Office is located in New Delhi and Hindi is also the regional language at the place where our Registered Office is situated.

In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI Circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, our Company will make use of advertisements in television channels, radio, internet etc., including in the form of crawlers/ tickers, to disseminate information relating to the Application process in India. The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

## **PROCEDURE FOR APPLICATION**

### **How to Apply**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. Kindly note that the R-WAP mechanism is available only for resident Investors. Kindly note that Non-Resident Investors cannot apply in this Issue using the R-WAP facility, however such Investors can apply through R-WAP, if they have provided an Indian address to our Company or to the Registrar or they are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility or R-WAP. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 128.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to

Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

### **Application Form**

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email and speed post at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

Further, our Company will undertake all adequate steps to reach out the Eligible Equity Shareholders by other means if feasible in the current COVID-19 situation. However, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

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

- a) Our Company at <https://advikgroup.com/ail/>
- b) the Registrar to the Issue at <https://www.skylinerta.com/>
- c) the Stock Exchange at [www.bseindia.com](http://www.bseindia.com) ; and
- d) the Registrar's web-based application platform at <https://www.skylinerta.com/rightissues/>

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.skylinerta.com/>) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., <https://advikgroup.com/ail/>). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. Further, in accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date can apply through this Issue by first furnishing the details of their demat account along with their self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares at least two Working Days prior to the Issue Closing Date i.e. April 7, 2022, after which they can apply through ASBA facility or R-WAP.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP platform available at <https://www.skylinerta.com/rightissues/> and make online payment using the internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts

and such Investors should ensure that the respective bank accounts have sufficient funds. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP which is available only for resident Investors).

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "Grounds for Technical Rejection" on page 135. Our Company, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "Application on Plain Paper under ASBA process" on page 130.

### **Options available to the Eligible Equity Shareholders**

Details of each Eligible Equity Shareholders RE will be sent to the Eligible Equity shareholder separately along with the Application Form and would also be available on the website of the Registrar to the Issue at <https://www.skylinerta.com/> and link of the same would also be available on the website of our Company at (<https://advikgroup.com/ail/>). Respective Eligible Equity Shareholder can check their entitlement by keying their requisite details therein.

The Eligible Equity Shareholders will have the option to:

- Apply for his Rights Entitlement in full;
- Apply for his Rights Entitlement in part (without renouncing the other part);
- Apply for his Rights Entitlement in full and apply for additional Rights Equity Shares;
- Apply for his Rights Entitlement in part and renounce the other part of the Rights Equity Shares; and
- Renounce his Rights Entitlement in full.

In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. April 7, 2022, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode or R-WAP. Such resident Eligible Equity Shareholders must check the procedure for Application in "Procedure for Application by Resident Eligible Equity Shareholders holding Equity Shares in physical form" on page 113.

### **Procedure for Application through the ASBA process**

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

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

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

#### **Procedure for Application through R-WAP:**

In accordance with the SEBI Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at <https://www.skylinerta.com/rightissues/>), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process and R-WAP facility should be utilized only in the event that Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.

At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP. Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

#### **Set out below is the procedure followed using the R-WAP:**

1. Prior to making an Application using the R-WAP facility, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the relevant bank account is less than the total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash payment mechanism in accordance with the SEBI Circulars.
2. Resident Investors should visit R-WAP (accessible at <https://www.skylinerta.com/rightissues/>) and fill the online Application Form available on R-WAP in electronic mode. Please ensure that you provide correct DP ID, Client ID, PAN and Folio number (for resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) along with all other details sought for while submitting the online Application Form.
3. Non-resident Investors are not eligible to apply in this Issue through R-WAP.
4. Investors should ensure that Application process is verified through the e-mail / phone / mobile number or other means as applicable. Post due verification, Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Equity Shares to be applied for in the Issue. Please note that the Application Money will be determined based on number of Equity Shares applied for.
5. Investors who are Renounees should select the category of 'Renounee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renounees shall also be required to provide the required Application details, such as total **number of Equity Shares applied for in the Issue**.
6. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. Applications made using payment from third party bank accounts will be rejected.
7. Verification, if any, in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.
8. The Application Money collected through Applications made on the R-WAP will be credited to the

Escrow Account opened by our Company with the Escrow Collection Bank(s).

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions, visit the online/ electronic dedicated investor helpdesk (admin@skylinerta.com) or call helpline number (011-40450193/97).

**PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. OUR COMPANY AND THE REGISTRAR SHALL NOT BE RESPONSIBLE IF THE APPLICATION IS NOT SUCCESSFULLY SUBMITTED OR REJECTED DURING THE BASIS OF ALLOTMENT ON ACCOUNT OF FAILURE TO BE IN COMPLIANCE WITH THE SAME.**

#### **Acceptance of this Issue**

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filling the online Application Form available on R-WAP, the optional mechanism devised by the Registrar and make online payment using their internet banking or UPI facility from their own bank account thereat. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange, and (ii) the R-WAP facility, will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on page 130.

#### **Additional Rights Equity Shares**

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation if necessary with the BSE and in the manner prescribed under the section titled "Terms of the Issue" on page 111. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "Basis of Allotment" on page 135.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

#### **Applications by Overseas Corporate Bodies**

By virtue of the Circular No. 14 dated September 16, 2003, issued by the RBI, Overseas Corporate Bodies ("OCBs"), have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to OCBs) Regulations, 2003.

Accordingly, the existing Eligible Equity Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not be able to renounce the same (whether for consideration or otherwise), in favour of OCB(s). The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003, that OCBs which are incorporated and are not and were not at any time subject to any adverse notice from the RBI, are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000, under the foreign direct investment scheme with the prior approval of Government of India if the investment is through the government approval route and with the prior approval of RBI if the investment is through automatic route on case by case basis. Eligible Equity Shareholders renouncing their rights in favour of

such OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such RBI approval to our Company at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the Application Form.

### **Procedure for Renunciation of Rights Entitlements**

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchange; or (b) through an off - market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

#### **a) *On Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN INE178T20016 subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time. The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., March 21, 2022 to April 1, 2022 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE178T20016 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

#### **b) *Off Market Renunciation***

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE178T20016 , the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

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

**Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.**

#### ***Applications on Plain Paper under ASBA process***

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, BSE, or the R-WAP to provide requisite details. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

**PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP**

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Issuer, being Advik Capital Limited;
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio Number/ DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option preferred - only Demat form;
- Number of Rights Equity Shares entitled to;
- Number of Rights Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for within the Right Entitlements;
- Total amount paid at the rate of ₹ 2.85 per Rights Equity Share; Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;



- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;
- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);
- Additionally, all such Applicants are deemed to have accepted the following:

*"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.*

*"I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.*

*I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.*

*I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.*

*I/We acknowledge that the Company their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."*

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at <https://www.skylinerta.com/>. Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

### **Last date for Application**

The last date for submission of the duly filled in Application Form is Thursday, April 7, 2022 i.e. Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date.

If the Application together with the amount payable is either (i) not blocked with an SCSB; or (ii) not received by the Bankers to the Issue or the Registrar on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "Terms of the Issue - Basis of Allotment" on page 135.

### **Modes of Payment**

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through RWAP. For details of mode of payment in case of Application through R-WAP, see "- Procedure for Application through the R-WAP" on page 125.

### ***Mode of payment for Resident Investors***

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through the R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility.

### ***Mode of payment for Non-Resident Investors***

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares

to non-resident shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at admin@skylinerta.com.

As regards Applications by Non-Resident Investors, the following conditions shall apply:

- Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar or our Company.

*Note:*

*In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.*

- Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.
- Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.

#### **Procedure for application by Resident Eligible Equity Shareholders holding Equity Shares in physical form**

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
3. The remaining procedure for Application shall be same as set out in "Application on Plain Paper under ASBA process" beginning on page 130.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

**PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.**

#### **Allotment of the Rights Equity Shares in Dematerialized Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "ALLOTMENT ADVICES/ REFUND ORDERS" ON PAGE 138.**

#### **General instructions for Investors**

- a) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- b) In accordance with the SEBI Rights Issue Circulars, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- c) Please read the instructions on the Application Form sent to you.
- d) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- e) Application should be made only through the ASBA facility or using R-WAP.
- f) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected.
- g) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "Application on Plain Paper under ASBA process" on

page 130.

- h) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.
- i) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- j) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.
- k) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or (ii) filled on R-WAP. Please note that on the Issue Closing Date, (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE, and (ii) R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange.
- l) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.
- m) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- n) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- o) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using the optional facility, payments shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- p) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- q) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- r) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID

and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- s) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- t) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- u) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.
- v) In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

*Additional general instructions for Investors in relation to making of an Application*

- a) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- b) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- c) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- d) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

- e) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- f) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- g) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- h) Do not pay the Application Money in cash, by money order, pay order or postal order.
- i) Do not submit multiple Applications.
- j) No investment under the FDI route requiring government approval will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.
- k) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as a incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

**Do's:**

- (a) Ensure that the Application Form and necessary details are filled in.
- (b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- (c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- (d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.

**Don'ts:**

- (a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (d) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (e) Do not submit multiple Applications.

**Do's for Investors applying through ASBA:**

- (a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in

- the Application and have signed the same.
- (e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
  - (f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
  - (g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

**Don'ts for Investors applying through ASBA:**

- a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- b) Do not send your physical Application to the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

**Do's for Investors applying through R-WAP:**

- a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application.
- b) Ensure that there are sufficient funds (equal to {number of Equity Shares (including additional Equity Shares) applied for} X {Application Money of Equity Shares}) available in the bank account through which payment is made using the R-WAP.
- c) Ensure that you make the payment towards your Application through your bank account only and not use any third-party bank account for making the payment.
- d) Ensure that you receive a confirmation e-mail or confirmation through other applicable means on successful transfer of funds.
- e) Ensure you have filled in correct details of PAN, Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date), DP ID and Client ID, as applicable and all such other details as may be required.
- f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

**Don'ts for Investors applying through R-WAP:**

- a) Do not apply from bank account of third parties.
- b) Do not apply if you are a non-resident Investor.
- c) Do not apply from non-resident account.

**Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.
- d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- f) Account holder not signing the Application or declaration mentioned therein.
- g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State



- Government, the residents of Sikkim and the officials appointed by the courts).
- j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
  - k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
  - l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
  - m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
  - n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
  - o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
  - p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
  - q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
  - r) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
  - s) Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds including in relation to insufficient funds available in the opted bank account):
    - (i) Applications by non-resident Investors.
    - (ii) Payment from third party bank accounts.

**IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

### Multiple Applications

A separate Application can be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Applications shall not be treated as multiple applications. For details, see "Investment by Mutual Funds" below on page 143.

In cases where multiple Applications are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications submitted by any of the Promoters or members of the Promoter Group as described in *Capital Structure – Intention and extent of participation by our Promoters and Promoter Group in the Issue*" on page 42.

### Underwriting

The Issue is not underwritten.

### Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending the email withdrawal request to admin@skylinerta.in in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

### Issue schedule

<b>Last Date for credit of Rights Entitlements</b>	Tuesday, March 15, 2022
<b>Issue Opening Date</b>	Monday, March 21, 2022
<b>Last date for On Market Renunciation of Rights Entitlements</b>	Friday, April 1, 2022
<b>Issue Closing Date*</b>	Thursday, April 7, 2022
<b>Finalization of Basis of Allotment (on or about)</b>	Tuesday, April 19, 2022
<b>Date of Allotment (on or about)</b>	Tuesday, April 19, 2022
<b>Date of credit (on or about)</b>	Friday, April 22, 2022
<b>Date of listing (on or about)</b>	Tuesday, April 26, 2022

*Note: Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

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

*\*\*Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

### Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock

Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Securities. Allotment under this head shall be considered if there are any unsubscribed Rights Securities after allotment under (a) above. If number of Rights Securities required for Allotment under this head are more than the number of Rights Securities available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who have applied for the full extent of their Rights Entitlement and have also applied for Additional Rights Equity Shares shall be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are unsubscribed Rights Equity Shares after making full Allotment under (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of Regulation 3(1)(b) of the SEBI Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

#### **Allotment Advices/Refund Orders**

Our Company will issue and dispatch Allotment advice, refund instructions (including in respect of Applications made through the optional facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

In case of Applications through the R-WAP, refunds, if any, will be made to the registered bank account details in demat account. Therefore, the Investors should ensure that such bank accounts remain valid and active.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("NACH") except where Investors have not provided the details required to send electronic refunds or where the investors are otherwise disclosed as applicable or eligible to get refunds through direct credit and real-time gross settlement ("RTGS").

In case of those investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, and the Allotment advice regarding their credit of the Rights Equity Shares shall be sent at the address recorded with the Depository. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 4 days of the Issue Closing Date. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

**In accordance with the SEBI ICDR Regulations, the option to receive the Rights Equity Shares in physical form was available only for a period of six months from the date of coming into force of the SEBI ICDR Regulations, i.e., until May 10, 2019.**

The letter of allotment or refund order would be sent by registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

## **Payment of Refund**

### ***Mode of making refunds***

In case of Applicants not eligible to make an application through ASBA process, the payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes:

1. **Unblocking amounts blocked using ASBA facility;**
2. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
3. **National Electronic Fund Transfer ("NEFT")** – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, such MICR number and the bank account number will be duly mapped with

the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

4. **Direct Credit** – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for such refund would be borne by our Company.
5. **RTGS** – If the refund amount exceeds ₹ 200,000, Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event such IFSC Code is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for such refund would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
6. For all other Investors, the refund orders will be dispatched through speed post or registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.
7. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

**In case of Application through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).**

#### ***Refund payment to Non-residents***

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

#### **Printing of Bank Particulars on Refund Orders**

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

#### **Allotment advice or Demat Credit**

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 4 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

#### **Option to receive Right Equity Shares in Dematerialised Form**

**PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE RESIDENT ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.**

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

**INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.**

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders whose Equity Shares are with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- Non-transferable allotment advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

**Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form" on page 113.**

**Investment by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding

by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

#### **Investment by Systemically Important Non-Banking Financial Companies (NBFC – SI)**

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

The SEBI (Venture Capital Funds) Regulations, 1996, as amended ("SEBI VCF Regulations") and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended ("SEBI FVCI Regulations") prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 ("SEBI AIF Regulations") prescribe, among other things, the investment restrictions on AIFs.

**As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.**

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

#### **Applications will not be accepted from FPIs in restricted jurisdictions.**

FPIs which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIs which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

### **Investment by NRIs**

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO counts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

### **Investment by Mutual Funds**

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

### **Procedure for applications by Systemically Important NBFCs**

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

### **Payment by stock invest**

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

### **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who:*

- i. makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (*
- ii. makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- iii. otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to*



*any other person in a fictitious name, shall be liable for action under Section 447. "*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

### **Dematerialised Dealing**

Our Company has entered into tripartite agreements dated August 10, 2015 and August 3, 2015 with NSDL and CDSL, respectively, and our Equity Shares bear the ISIN: INE178T01024.

### **Disposal of Applications and Application Money**

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application. Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the registered bank account, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be unblocked in the respective ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date and refunded in the respective bank accounts from which Application Money was received on or before T+1 day (T being the date of finalisation of Basis of Allotment), in case of applications made through R-WAP facility. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021 and SEBI circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment). In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the Application Form carefully.

### **Utilization of Issue Proceeds**

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

### **Undertakings by our Company**

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- j) Our Company accepts full responsibility for the accuracy of information given in this Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

### **Minimum Subscription**

Our Promoter and Promoter Group has, vide letter dated February 17, 2022 (the "**Subscription Letter**") informed us that the Promoter and Promoter Group shall not subscribe to their entitlements arising out of the proposed Rights Issue and may renounce them in the favour of third parties. Therefore, the non-applicability of minimum subscription criteria provided in regulation 86(1)(b) of the SEBI ICDR Regulations is not met. Minimum subscription i.e. subscription of 90 % of the Issue is thus applicable for the proposed Rights Issue. Pursuant to regulation 86(2) of the SEBI ICDR Regulations in case of non-receipt of minimum subscription, all application monies received shall be refunded to the applicants forthwith, but not later than four days from the closure of the Rights Issue.

### **Filing**

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

### **Withdrawal of the Issue**

Subject to provisions of the SEBI ICDR Regulations, the Companies Act and other applicable laws, Our Company, reserves the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue anytime after the Issue Opening Date, a public notice within two (2) Working Days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisement has appeared and the Stock Exchange will also be informed promptly.

The Company through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one (1) working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchange.

If our Company withdraws the Issue at any stage including after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will file a fresh offer document with the stock exchange where the Equity Shares may be proposed to be listed.

### **Important**

Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "Risk Factors" on page 17.

All enquiries in connection with this Letter of Offer, Abridged Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Advik Capital Limited – Right Issue on the envelope to the Registrar at the following address:

**Skyline Financial Services Private Limited**

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

**Telephone:** 011-40450193/97

**Email:** admin@skylinerta.com

**Website:** www.skylinerta.com

**Investor grievance e-mail:** investors@skylinerta.com

**Contact Person:** Ms. Rati Gupta

**SEBI Registration No.:** INR000003241

**Validity of Registration:** Permanent

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar [www.skylinerta.com](http://www.skylinerta.com). Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011-40450193/97.

The Issue will remain open for a minimum period of 18 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

## **RESTRICTION ON THE PURCHASE AND RESALE**

### **General Eligibility and Restrictions**

No action has been taken or will be taken to permit a public offering of the Rights Entitlements or the Rights Equity Shares to occur in any jurisdiction, or the possession, circulation, or distribution of this Letter of Offer, its accompanying documents or any other material relating to our Company, the Rights Entitlements or the Rights Equity Shares in any jurisdiction where action for such purpose is required, except that this Letter of Offer is being filed with SEBI and the Stock Exchange.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the US Securities Act and may not be offered or sold within the United States.

The Rights Entitlements or the Rights Equity Shares may not be offered or sold, directly or indirectly, and none of this Letter of Offer, its accompanying documents or any offering materials or advertisements in connection with the Rights Entitlements or the Rights Equity Shares may be distributed or published in or from any country or jurisdiction except in accordance with the legal requirements applicable in such jurisdiction.

Investors are advised to consult their legal counsel prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

This Letter of Offer and its accompanying documents will be supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

Each person who exercises the Rights Entitlements and subscribes for the Rights Equity Shares, or who purchases the Rights Entitlements or the Rights Equity Shares shall do so in accordance with the restrictions set out below:

### **United States**

The Rights Entitlements and the Rights Equity Shares have not been, and will not be, registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly within the United States except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares referred to in this Letter of Offer are being offered in offshore transactions outside the United States in compliance with Regulations under the US Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. Neither receipt of this Letter of Offer, nor any of its accompanying documents constitutes an offer of the Rights Entitlements or the Rights Equity Shares to any Eligible Equity Shareholder other than the Eligible Equity Shareholder who has received this Letter of Offer and its accompanying documents directly from our Company or the Registrar.

Each person outside of the United States by accepting the delivery of this Letter of Offer and its accompanying documents, submitting an Application Form for the exercise of any Rights Entitlements and subscription for any Rights Equity Shares and accepting delivery of any Rights Entitlements or any Rights Equity Shares, will be deemed to have represented, warranted and agreed as follows on behalf of itself and, if it is acquiring the Rights Entitlements or the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, on behalf of each owner of such account (such person being the "purchaser", which term shall include the owners of the investor accounts on whose behalf the person acts as fiduciary or agent):

1. The purchaser (i) is aware that the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the US Securities Act and are being distributed and offered outside the United States in reliance on Regulation S, (ii) is, and the persons, if any, for whose account it is acquiring such Rights Entitlements and/ or the Rights Equity Shares are, outside the United States and eligible to subscribe for Rights Entitlements and Rights Equity Shares in compliance with applicable securities laws, and (iii) is acquiring the Rights Entitlements and/or the Rights Equity Shares in an offshore

- transaction meeting the requirements of Regulations.
2. No offer or sale of the Rights Entitlements or the Rights Equity Shares to the purchaser is the result of any "directed selling efforts" in the United States (as such term is defined in Regulations).
  3. The purchaser is, and the persons, if any, for whose account it is acquiring the Rights Entitlements and the Rights Equity Shares are, entitled to subscribe for the Rights Equity Shares, and the sale of the Rights Equity Shares to it will not require any filing or registration by, or qualification of, our Company with any court or administrative, governmental or regulatory agency or body, under the laws of any jurisdiction which apply to the purchaser or such persons.
  4. The purchaser, and each account for which it is acting, satisfies (i) all suitability standards for investors in investments in the Rights Entitlements and the Rights Equity Shares imposed by the jurisdiction of its residence, and (ii) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of its jurisdiction of residence.
  5. The purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, and, if the purchaser is exercising the Rights Entitlements and acquiring the Rights Equity Shares as a fiduciary or agent for one or more investor accounts, the purchaser has the full power and authority to make the acknowledgements, representations, warranties and agreements contained herein and to exercise the Rights Entitlements and subscribe for the Rights Equity Shares on behalf of each owner of such account.
  6. The purchaser is aware and understands (and each account for which it is acting has been advised and understands) that an investment in the Rights Entitlements and the Rights Equity Shares involves a considerable degree of risk and that the Rights Entitlements and the Rights Equity Shares are a speculative investment, and further, that no U.S. federal or state or other agency has made any finding or determination as to the fairness of any such investment or any recommendation or endorsement of any such investment.
  7. The purchaser understands (and each account for which it is acting has been advised and understands) that no action has been or will be taken to permit an offering of the Rights Entitlements or the Rights Equity Shares in any jurisdiction (other than the filing of this Letter of Offer with SEBI and the Stock Exchange); and it will not offer, resell, pledge or otherwise transfer any of the Rights Entitlements or the Rights Equity Shares which it may acquire, or any beneficial interests there in, in any jurisdiction or in any circumstances in which such offer or sale is not authorised or to any person to whom it is unlawful to make such offer, sale, solicitation or invitation except under circumstances that will result in compliance with any applicable laws and/or regulations. The purchaser agrees to notify any transferee to whom it subsequently reoffers, resells, pledges or otherwise transfers the Rights Entitlements and the Rights Equity Shares of the restrictions set forth in the Letter of Offer under the heading "*Restrictions on Purchases and Resales*".
  8. The purchaser (or any account for which it is acting) is an Eligible Equity Shareholder and has received an invitation from our Company, addressed to it and inviting it to participate in this Issue.
  9. Neither the purchaser nor any of its affiliates or any person acting on its or their behalf has taken or will take, directly or indirectly, any action designed to, or which might be expected to, cause or result in the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Rights Entitlements or the Rights Equity Shares pursuant to the Issue.
  10. Prior to making any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares, the purchaser (i) will have consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers in each jurisdiction in connection herewith to the extent it has deemed necessary; (ii) will have carefully read and reviewed a copy of this Letter of Offer and its accompanying documents; (iii) will have possessed and carefully read and reviewed all information relating to our Company and our group and the Rights Entitlements and the Rights Equity Shares which it believes is necessary or appropriate for the purpose of making its investment decision, including,

without limitation, the Exchange Information (as defined below), and will have had a reasonable opportunity to ask questions of and receive answers from officers and representatives of our Company concerning the financial condition and results of operations of our Company and the purchase of the Rights Entitlements or the Rights Equity Shares, and any such questions have been answered to its satisfaction; (iv) will have possessed and reviewed all information that it believes is necessary or appropriate in connection with an investment in the Rights Entitlements and the Rights Equity Shares; (v) will have conducted its own due diligence on our Company and this Issue, and will have made its own investment decisions based upon its own judgment, due diligence and advice from such advisers as it has deemed necessary and will not have relied upon any recommendation, promise, representation or warranty of or view expressed by or on behalf of our Company (including any research reports) (other than, with respect to our Company and any information contained in this Letter of Offer); and (vi) will have made its own determination that any investment decision to exercise the Rights Entitlements and subscribe for the Rights Equity Shares is suitable and appropriate, both in the nature and number of Rights Equity Shares being subscribed.

11. Without limiting the generality of the foregoing, the purchaser acknowledges that (i) the Rights Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited and our Company is therefore required to publish certain business, financial and other information in accordance with the rules and practices of BSE Limited and the National Stock Exchange of India Limited (which includes, but is not limited to, a description of the nature of our Company's business and our Company's most recent balance sheet and profit and loss account, and similar statements for preceding years together with the information on its website and its press releases, announcements, investor education presentations, annual reports, collectively constitutes "**Exchange Information**"), and that it has had access to such information without undue difficulty and has reviewed such Exchange Information as it has deemed necessary; (ii) our Company does not expect or intend to become subject to the periodic reporting and other information requirements of the Securities and Exchange Commission; and (iii) neither our Company nor any of its affiliates has made any representations or recommendations to it, express or implied, with respect to our Company, the Rights Entitlements or the Rights Equity Shares or the accuracy, completeness or adequacy of the Exchange Information.
12. The purchaser understands that the Exchange Information and this Letter of Offer have been prepared in accordance with content, format and style which is either prescribed by SEBI, the Stock Exchange or under Indian laws, which differs from the content, format and style customary for similar offerings in the United States. In particular, the purchaser understands that (i) our Company's financial information contained in the Exchange Information and this Letter of Offer have been prepared in accordance with Ind AS, Companies Act, and other applicable statutory and/or regulatory requirements and not in a manner suitable for an offering registered with the U.S. SEC, and (ii) this Letter of Offer does not include all of the information that would be required if our Company were registering the Issue of the Rights Entitlements and the Rights Equity Shares with the U.S. SEC, such as a description of our business and industry, detailed operational data, our management's discussion and analysis of our financial condition and results of operations and audited financial statements for prior years.
13. The purchaser acknowledges that (i) any information that it has received or will receive relating to or in connection with this Issue, and the Rights Entitlements or the Rights Equity Shares, including this Letter of Offer and the Exchange Information (collectively, the "**Information**"), has been prepared solely by our Company and no recommendation, promise, representation or warranty (express or implied) is or has been made or given by the as to the accuracy, completeness or sufficiency of the Information, and nothing contained in the Information is, or shall be relied upon as, a promise, representation or warranty by any of them or their affiliates.
14. The purchaser will not hold our Company responsible for any misstatements in or omissions to the Information or in any other written or oral information provided by our Company to it.
15. The purchaser is a highly sophisticated investor and has such knowledge and experience in financial, business and international investment matters and is capable of independently evaluating the merits and risks (including for tax, legal, regulatory, accounting and other financial purposes) of an investment in the Rights Entitlements and the Rights Equity Shares. It, or any account for which it is acting, has the financial ability to bear the economic risk of investment in the Rights Entitlements and the Rights Equity

Shares, has adequate means of providing for its current and contingent needs, has no need for liquidity with respect to any investment it (or such account for which it is acting) may make in the Rights Entitlements and the Rights Equity Shares, and is able to sustain a complete loss in connection therewith and it will not look to our Company for all or part of any such loss or losses it may suffer.

16. The purchaser understands that its receipt of the Rights Entitlements and any subscription it may make for the Rights Equity Shares will be subject to and based upon all the terms, conditions, representations, warranties, acknowledgements, agreements and undertakings and other information contained in this Letter of Offer and the Application Form. The purchaser understands that neither our Company, nor the Registrar or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or outside of India and in eligible to participate in this Issue under applicable securities laws.
17. The purchaser understands that the foregoing representations and acknowledgments have been provided in connection with United States, India and other securities laws. It acknowledges that our Company and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time before the closing of this Issue or the issuance of the Rights Equity Shares, any of the acknowledgements, representations, warranties and agreements made in connection with its exercise of Rights Entitlements and subscription for the Rights Equity Shares is no longer accurate, it shall promptly notify our Company in writing.

#### **Australia**

This Letter of Offer does not constitute a prospectus or other disclosure document under the Corporations Act 2001(Cth) ("Australian Corporations Act") and does not purport to include the information required of a disclosure document under the Australian Corporations Act. This Letter of Offer has not been lodged with the Australian Securities and Investments Commission ("ASIC") and no steps have been taken to lodge it as such with ASIC. Any offer in Australia of the Rights Entitlements and Rights Equity Shares under this Letter of Offer may only be made to persons who are "sophisticated investors" (within the meaning of section 708(8) of the Australian Corporations Act), to "professional investors" (within the meaning of section 708(11) of the Australian Corporations Act) or otherwise pursuant to one or more exemptions under section 708 of the Australian Corporations Act so that it is lawful to offer the Rights Entitlements and Rights Equity Shares in Australia without disclosure to investors under Part 6D.2 of the Australian Corporations Act.

If you are acting on behalf of, or acting as agent or nominee for, an Australian resident and you are a recipient of this Letter of Offer, and any offers made under this Letter of Offer, you represent to the Company that you will not provide this Letter of Offer or communicate any offers made under this Letter of Offer to, or make any applications or receive any offers for Rights Entitlements or Rights Equity Shares for, any Australian residents unless they are a "sophisticated investor" or a "professional investor" as defined by section 708 of the Australian Corporations Act.

Any offer of the Rights Entitlements or the Rights Equity Shares for on-sale that is received in Australia within 12 months after their issue by the Company, or within 12 months after their sale by a selling security holder under the Issue, as applicable, is likely to need prospectus disclosure to investors under Part 6D.2 of the Australian Corporations Act, unless such offer for on-sale in Australia is conducted in reliance on a prospectus disclosure exemption under section 708 of the Australian Corporations Act or otherwise. Any persons acquiring the Rights Entitlements and the Rights Equity Shares should observe such Australian on sale restrictions.

#### **Bahrain**

The Central Bank of Bahrain, the Bahrain Bourse and the Ministry of Industry, Commerce and Tourism of the Kingdom of Bahrain take no responsibility for the accuracy of the statements and information contained in this Letter of Offer or the performance of the Rights Entitlements or the Rights Equity Shares, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Letter of Offer is only intended for accredited investors as defined by the Central Bank of Bahrain. We have not made and will not make any invitation to the public in the Kingdom of Bahrain to subscribe to the Rights Entitlements or the Rights Equity Shares and this Letter of Offer will not be

issued, passed to, or made available to the public generally. The Central Bank of Bahrain has not reviewed, nor has it approved, this Letter of Offer or the marketing thereof in the Kingdom of Bahrain. The Central Bank of Bahrain is not responsible for the performance of the Rights Entitlements or the Rights Equity Shares.

### **Cayman Islands**

No offer or invitation to subscribe for the Rights Entitlements and the Rights Equity Shares may be made to the public in the Cayman Islands.

### **China**

This Letter of Offer may not be circulated or distributed in the People's Republic of China ("**PRC**") and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to, or for the benefit of, legal or natural persons of the PRC except pursuant to applicable laws and regulations of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Rights Entitlements and the Rights Equity Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Letter of Offer are required by the Issuer and its representatives to observe these restrictions. For the purpose of this paragraph, PRC does not include Taiwan and the special administrative regions of Hong Kong and Macau.

### **Dubai International Financial Centre**

The Rights Entitlements and the Rights Equity Shares have not been offered and will not be offered to any persons in the Dubai International Financial Centre except on that basis that an offer is:

- (i) an "Exempt Offer" in accordance with the Markets Rules (MKT) module of the Dubai Financial Services Authority (the "**DFSA**") rulebook; and
- (ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business Module of the DFSA rulebook.

### **European Economic Area and the United Kingdom**

In relation to each Member State of the European Economic Area and the United Kingdom (each a "**Relevant State**"), neither the Rights Entitlements or the Rights Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Rights Entitlements and the Rights Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of the Rights Entitlements and the Rights Equity Shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

- a) to any legal entity which is a qualified investor as defined under the Prospectus Regulation;
- b) to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the manager for any such offer; or
- c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Rights Entitlements or the Rights Equity Shares shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. This Letter of Offer is not a prospectus for the purposes of the Prospectus Regulation. The Issuer does not authorize the making of any offer of Rights Entitlements and/or the Rights Equity Shares in circumstances in which an obligation arises for the Issuer to publish a prospectus for such offer.

For the purposes of this provision, the expression an "**offer to the public**" in relation to any Rights Entitlements or the Rights Equity Shares in any Relevant State means the communication to persons in any form and by any means, presenting sufficient information on the terms of the offer and Rights Entitlements or any Rights Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for those securities, and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.



## Hong Kong

The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Rights Entitlements and the Rights Equity Shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the Rights Entitlements and the Rights Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

## Japan

The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Rights Entitlements and the Rights Equity Shares. No Rights Entitlements or Rights Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Contract Act of Japan (Law No. 228 of 1949, as amended) ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (tekikaku kikan toshika), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (Ordinance of the Ministry of Finance No. 14 of 1993, as amended) (the "**Qualified Institutional Investor**"), the Rights Entitlements and Rights Equity Shares will be offered in Japan by a private placement to small number of investors (shoninzu muke kanyu), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Rights Entitlements and the Rights Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (tekikaku kikan toshikamuke kanyu), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To receive the Rights Entitlements and subscribe the Rights Equity Shares (the "**QII Rights Entitlements and the QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Rights Entitlements and the QII Equity Shares other than to another Qualified Institutional Investor.

## Kuwait

This Letter of Offer and does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, the Rights Entitlements or the Rights Equity Shares in the State of Kuwait. The Rights Entitlements and the Rights Equity Shares have not been licensed for offering, promotion, marketing, advertisement or sale in the State of Kuwait by the Capital Markets Authority or any other relevant Kuwaiti government agency. The offering, promotion, marketing, advertisement or sale of the Rights Entitlements and the Rights Equity Shares in State of Kuwait on the basis of a private placement or public offering is, therefore, prohibited in accordance with Law No. 7 of 2010 and the Executive Bylaws for Law No. 7 of 2010, as amended, which govern the issue, offer, marketing and sale of financial services/products in the State of Kuwait ("Kuwait Securities Laws"). No private or public offering of the Rights Entitlements or the Rights Equity Shares is or will be made in the State of Kuwait, and no agreement relating to the sale of the Rights Entitlements or the Rights Equity Shares will be concluded in the State

of Kuwait and no marketing or solicitation or inducement activities are being used to offer or market the Rights Entitlements or the Rights Equity Shares in the State of Kuwait.

### **Luxembourg**

The Rights Entitlements and the Rights Equity Shares offered in this Letter of Offer may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This Letter of Offer is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Rights Entitlements and the Rights Equity Shares. Distribution of this Letter of Offer to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Issuer, is prohibited.

### **Malaysia**

No approval from the Securities Commission of Malaysia has been applied for or will be obtained for the offer or invitation in respect of the Issue under the Capital Markets and Services Act 2007. Neither has a prospectus been or will be registered with the Securities Commission of Malaysia in connection with the Issue in Malaysia.

Accordingly, this Letter of Offer or any amendment or supplement hereto or any other offering document in relation to the Issue may not be distributed in Malaysia directly or indirectly for the purpose of any offer of the Rights Entitlements and the Rights Equity Shares. The Rights Entitlements and the Rights Equity Shares may not be offered or sold in Malaysia except pursuant to, and to persons prescribed under, Part I of Schedule 6 of the Malaysian Capital Markets and Services Act and no person may offer for subscription or purchase any of the Rights Entitlements and the Rights Equity Shares directly or indirectly to anyone in Malaysia.

### **Mauritius**

The Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Letter of Offer nor any offering material or information contained herein relating to the offer of the Rights Entitlements and the Rights Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Letter of Offer does not constitute an offer to sell the Rights Entitlements and the Rights Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

### **New Zealand**

This Letter of Offer has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act"). This Issue is not an offer of financial products that requires disclosure under Part 3 of the FMC Act and no product disclosure statement, register entry or other disclosure document under the FMC Act will be prepared in respect of this Issue. The Rights Entitlements and the Rights Equity Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; or
- d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act.

If, in the future, any person in New Zealand to whom the Rights Entitlements or the Rights Equity Shares are issued or sold elects to sell any Rights Entitlements or Rights Equity Shares, they must not do so in any manner which will, or is likely to, result in this Issue, or such sale, being viewed as an offer to which Part 3 of the FMC Act is applicable.

### **Oman**

This Letter of Offer and the Rights Entitlements and the Rights Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in the Sultanate of Oman ("Oman") without the prior consent of the Capital Market Authority ("Oman CMA") and then only in accordance with any

terms and conditions of such consent. In connection with the offering of the Rights Entitlements and the Rights Equity Shares, no prospectus has been filed with the Oman CMA. The offering and sale of the Rights Entitlements and the Rights Equity Shares described in this Letter of Offer will not take place inside Oman. This Letter of Offer is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof does not constitute a public offer of the Rights Entitlements or the Rights Equity Shares in Oman as contemplated by the Commercial Companies Law of Oman (Royal Decree 4/74) or the Capital Market Authority Law (Royal Decree 80/98) (the "CMAL"), nor does it constitute an offer to sell, or the solicitation of any offer to buy Non- Omani securities in the Sultanate of Oman as contemplated by Article 139 of the Executive Regulations of CMA.

Additionally, this Letter of Offer and the Rights Entitlements and the Rights Equity Shares is not intended to lead to the conclusion of a contract for the sale or purchase of securities. The recipient of this Letter of Offer and the Rights Entitlements and the Rights Equity Shares represents that it is a sophisticated investor (as described in Article 139 of the Executive Regulations of the Capital Market Law) and that it has experience in business and financial matters that they are capable of evaluating the merits and risks of investments.

### **Qatar**

This Letter of Offer is provided on an exclusive basis to the specifically intended recipient, upon that person's request and initiative, and for the recipient's personal use only and is not intended to be available to the public.

Nothing in this prospectus constitutes, is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of the Rights Entitlements or the Rights Equity Shares in the State of Qatar or in the Qatar Financial Centre or the inward marketing of an investment fund or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre. This Letter of Offer and the underlying instruments have not been reviewed, approved, registered or licensed by the Qatar Central Bank, The Qatar Financial Centre Regulatory Authority, The Qatar Financial Markets Authority or any other regulator in the State of Qatar. Any distribution of this Letter of Offer by the recipient to third parties in Qatar or the Qatar Financial Centre beyond these terms is not authorised and shall be at the liability of the recipient.

### **Saudi Arabia**

This Letter of Offer may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations as issued by the board of the Saudi Arabian Capital Market Authority ("CMA") pursuant to resolution number 3-123-2017 dated 27 December 2017 as amended by resolution number 1-104-2019 dated 30 September 2019, as amended (the "CMA Regulations"). The CMA does not make any representation as to the accuracy or completeness of this Letter of Offer and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Letter of Offer. Prospective purchasers of the Rights Entitlements and the Rights Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Rights Entitlements and the Rights Equity Shares. If you do not understand the contents of this Letter of Offer, you should consult an authorized financial adviser.

### **Singapore**

This Letter of Offer has not been registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, neither this Letter of Offer nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Entitlements or the Rights Equity Shares may be circulated or distributed, nor may the Rights Entitlements and the Rights Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) existing holders of Rights Equity Shares in the Company pursuant to Section 273(1)(cd)(i) of the Securities and Futures Act, Chapter 289 of Singapore (the "Securities and Futures Act"), or (ii) pursuant to, and in accordance with, the conditions of an exemption under Section 274 or Section 275 of the Securities and Futures Act and (in the case of an accredited investor) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or where applicable, Section 276 of the Securities and Futures Act.

Any reference to the Securities and Futures Act is a reference to the Securities and Futures Act, Chapter 289 of

Singapore and a reference to any term as defined in the Securities and Futures Act or any provision in the Securities and Futures Act is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the Securities and Futures Act: The Rights Entitlements and the Rights Equity Shares are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### **South Korea**

We are not making any representation with respect to the eligibility of any recipients of this Letter of Offer to acquire the Rights Entitlements and the Rights Equity Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder. The Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "FSCMA"). Accordingly, the Rights Entitlements and the Rights Equity Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Rights Entitlements and the Rights Equity Shares, except (i) where relevant requirements are satisfied, the Rights Entitlements and the Rights Equity Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Rights Entitlements and the Rights Equity Shares may not be re-sold to Korea residents unless the purchaser of the Rights Entitlements and the Rights Equity Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Rights Entitlements and the Rights Equity Shares.

### **United Arab Emirates**

This Letter of Offer has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the "UAE") or any other authority in any of the free zones established and operating in the UAE. The Rights Entitlements and the Rights Equity Shares have not been and will not be offered, sold or publicly promoted or advertised in the UAE in a manner which constitutes a public offering in the UAE in compliance with any laws applicable in the UAE governing the issue, offering and sale of such securities. This Letter of Offer is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any other person other than the original recipient and may not be used or reproduced for any other purpose.

### **United Kingdom**

In the United Kingdom, this Letter of Offer and any investment or investment activity to which this Letter of Offer relates is directed only at, being distributed and made available only to, and will be engaged in only with, persons who are qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and who (i) fall within the definition of "investment professionals" contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) fall within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it can otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). Persons who are not relevant persons should not take any action on the basis of this Letter of Offer and should not act or rely on it or any of its contents.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (**FIFP**) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The 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 to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the 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 for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("**FDI**") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("**FDI Policy 2020**"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the **FIFP**.

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

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been derecognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), including the exemption under Regulation S ("**Regulation S**") of the U.S. Securities Act.

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

## SECTION VIII- STATUTORY AND OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of this Letter of Offer until the Issue Closing Date. Additionally, any person intending to inspect the abovementioned contracts and documents electronically, may do so, by writing an email to [advikcapital@gmail.com](mailto:advikcapital@gmail.com).

#### I. Material Contracts for the Issue

- i. Registrar Agreement dated March 4, 2022 entered into amongst our Company and the Registrar to the Issue;
- ii. Escrow Agreement dated March 4, 2022 amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

#### II. Material Documents

- i. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time.
- ii. Annual Reports of the Company for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021.
- iii. Certificate of incorporation dated November 14, 1985.
- iv. Certificate of commencement of business dated November 20, 1985.
- v. Fresh Certificate of incorporation dated September 20, 2010 issued consequent upon change of name of our Company from Quick Credit Limited to DU-Lite Industries Limited.
- vi. Fresh Certificate of incorporation dated February 24, 2011 issued consequent upon change of name of our Company from DU-Lite Industries Limited to Advik Industries Limited.
- vii. Fresh Certificate of incorporation dated July 7, 2017 issued consequent upon change of name of our Company from Advik Industries Limited to Advik Capital Limited.
- viii. Order copy of the High Court of Delhi, New Delhi dated July 19, 2010 approving the Scheme of Amalgamation.
- ix. Resolution of the Board of Directors dated December 28, 2021 in relation to the Issue.
- x. Resolution of the Shareholders dated January 29, 2022 in relation to the Issue.
- xi. The examination report of our Statutory Auditors on our Restated Financial Statements included in this Letter of Offer.
- xii. Consent of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, the Registrar to the Issue, Banker to the Issue/ Refund Bank for inclusion of their names in the Letter of Offer in their respective capacities.
- xiii. Statement of Tax Benefits dated February 14, 2022 from the Statutory Auditor included in this Letter of Offer.
- xiv. Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated August 3, 2015
- xv. Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated August 10, 2015
- xvi. In-principle listing approvals dated February 25, 2022, from the BSE.

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

## DECLARATION

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

### SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

\_\_\_\_\_  
**Virender Kumar Agarwal**  
(Executive Managing Director)

Sd/-

\_\_\_\_\_  
**Manju Agarwal**  
(Non-Executive - Non-Independent Director)

Sd/-

\_\_\_\_\_  
**Shakul Kumar Agarwal**  
(Whole Time Director)

Sd/-

\_\_\_\_\_  
**Hemant Agarwal**  
(Independent Director)

Sd/-

\_\_\_\_\_  
**Gunjan Jha**  
(Independent Director)

Sd/-

\_\_\_\_\_  
**Sony Kumari**  
(Independent Director)

### SIGNED BY THE CHIEF FINANCIAL OFFICER & COMPANY SECRETARY OF OUR COMPANY:

Sd/-

\_\_\_\_\_  
**Rishab Kumar Agarwal**  
(Chief Financial Officer)

Sd/-

\_\_\_\_\_  
**Rashika Gupta**  
(Company Secretary and Compliance Officer)

**Date:** March 4, 2022

**Place:** New Delhi