



Indian Infotech and Software Limited was incorporated on May 22, 1982 with the name of Indian Leasers Limited in accordance with the provision of Companies Act, 1956. Subsequently the name of our Company was changed to Indian Infotech and Software Limited and the Registrar of Companies Mumbai issued a fresh certificate of incorporation on July 20, 1998. Pursuant to the order of the Honorable Bombay High Court dated May 4, 2012 approving the Scheme of Arrangement, the Nikkietal Co. Limited and Lambodar Nirmitt Limited was merged with Indian Infotech and Software Limited. Pursuant to completion of said merger, the Company has issued and allotted the equity shares to the shareholders of both the transferor companies, the securities of the company are listed on the BSE Ltd. (Stock Exchange) since April 19, 1985. For further Details of our Company, please refer to section titled **“General Information”** beginning on page 31 of this Letter of Offer.

Registered Office: Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc. Ltd. New Link Road Andheri West Mumbai-400053, India
Contact Person: Manish Kumar Badola, Managing Director, **Tel. No.:** 022-49601435
E-mail: indianinfotechsoftware@yahoo.com; **Website:** www.indianinfotechandsoftwareltd.in
Corporate Identification Number: L70100MH1982PLC027198

PROMOTERS OF OUR COMPANY: MAHAMAYA FINANCIAL CONSULTANTS PRIVATE LIMITED, JAYANTI PRIME SOFTWARE ADVISORY PRIVATE LIMITED, GENEROSITY SHARE TRADING PRIVATE LIMITED, DHANVARSHA ADVISORY SERVICES PRIVATE LIMITED

| FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS INDIAN INFOTECH AND SOFTWARE LIMITED (OUR “COMPANY” OR THE “ISSUER”) ONLY | | |
|--|---|-----------------------------------|
| RIGHT ISSUE OF UPTO 26,14,53,270 EQUITY SHARES OF FACE VALUE OF ₹1.00 EACH (“EQUITY SHARES” OR “RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 1.60 PER RIGHTS EQUITY SHARE INCLUDING A SHARE PREMIUM OF 0.60 PAISE PER RIGHTS EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING UP TO ₹ 4,183.25 LAKH (“THE ISSUE”) ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF THIRTEEN (13) RIGHT EQUITY SHARE FOR EVERY FIFTY (50) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ON THE RECORD DATE, THAT IS JANUARY 29, 2024 (THE “ISSUE”). FOR FURTHER DETAILS, SEE “TERMS OF THE ISSUE” BEGINNING ON PAGE 80 OF THIS LETTER OF OFFER. | | |
| WILFUL DEFAULTERS / FRAUDULENT BORROWERS | | |
| Neither the Company nor the Promoters or any of the Directors have been or are identified as Wilful Defaulter and / or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India. | | |
| GENERAL RISKS | | |
| Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing 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 must rely on their own examination of our Company and this Issue including the risks involved. The securities being offered in the Issue have not been recommended nor 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 18 of this Letter of Offer before making an investment in this Issue. | | |
| ISSUER’S ABSOLUTE RESPONSIBILITY | | |
| Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect. | | |
| LISTING | | |
| The existing Equity Shares of our Company are listed on BSE Limited (“BSE”). Our Company has received “In-principle Approval” from BSE for listing the Rights Equity Shares vide its letter dated December 05, 2023. Our Company will also make application to the Stock Exchange to obtain its trading approval 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 purposes of the Issue, the Designated Stock Exchange is BSE Limited. | | |
| REGISTRAR TO THE ISSUE | | |
|  | PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED. CIN: U67120MH1993PTC074079 Unit no. 9, Shiv Shakti Ind. Estt. J. R. Boricha Marg, Lower Parel (E) Mumbai 400 011. Telephone: +91 22 4961 4132; Facsimile: +91 22 22 3570 0224; E-mail: support@purvashare.com ; Website: https://purvashare.com ; Contact person: Deepali Dhuri, Compliance Officer Investor grievance: support@purvashare.com ; SEBI Registration No: INRO00001112 Validity of Registration: Permanent | |
| | ISSUE SCHEDULE | |
| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATION* | ISSUE CLOSES ON# |
| TUESDAY, FEBRUARY 06, 2024 | THURSDAY FEBRUARY 08, 2024 | TUESDAY, FEBRUARY 13, 2024 |

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

#Our Board will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies, or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ‘Industry Overview’, ‘Statement of Tax Benefits’, ‘Financial Information’, ‘Outstanding Litigations, Defaults, and Material Developments’ and ‘Terms of the Issue’ on page 44, 41, 68, 71, and 80 respectively, shall have the meaning given to such terms in such sections.

Company Related Terms

| Term | Description |
|--|---|
| Indian Infotech and Software Limited / Company | Indian Infotech and Software Limited (IISL) a public limited company incorporated under the Companies Act, 1956, having its registered office at office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc Ltd. New Link Road Andheri West Mumbai-400053. |
| We/ us/ our/IISL | Unless the context otherwise indicates or implies, refers to Indian Infotech & Software Limited. |
| AoA/ Articles of Association | The Articles of Association of Indian Infotech and Software Limited, as amended from time to time; |
| Audit Committee | The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013; |
| Auditors/ Statutory Auditors/ Peer Review Auditor | Statutory and peer review auditor of our Company, namely, M/s. ADV & Associates, Chartered Accountants, Mumbai. |
| Board of Directors/ Board | Board of Directors of our Company; |
| Chairman | Mr. Manish Kumar Badola, Managing Director is the Chairman of our Company |
| Chief Financial Officer/ CFO | Mr. Hemant Vadilal Modi, the Chief Financial Officer of our Company. |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company Mr. Mushahid Ahmed Khan. |
| Standalone Audited Financial Statements | The Standalone audited financial statements of our Company prepared in accordance with Ind AS for the period ended on September 30, 2023 and Financial Years ended on March 31, 2023 and March 31, 2022. |
| Corporate Social Responsibility Committee/ CSR Committee | The committee of the Board of directors constituted as our Company’s corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details of the Independent Directors, please refer to section titled ‘Our Management’ beginning on page 65 of this Letter of Offer. |
| Directors | The director(s) on the Board of our Company, unless otherwise specified. |
| Eligible Shareholder(s) | Eligible equity holder(s) of the Equity Shares of Indian Infotech & Software Ltd as on the Record Date; |
| Equity Shares | Equity Share of the Company having face value of ₹ 1.00/ (Rupee One only); |
| Independent Director | Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ‘Our Management’ beginning on page 65 of this Letter of Offer; |
| Company’s ISIN | International Securities Identification Number of our Company being INE300B01022; |
| Key Management Personnel/KMP | Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled ‘Our Management’ beginning on page 65 of this Letter of Offer; |

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| Key Management Personnel /KMP | Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled ‘Our Management’ beginning on page 65 of this Letter of Offer; |
| MoA/Memorandum of Association | The Memorandum of Association of Indian Infotech & Software Limited, as amended from time to time; |
| Nomination and Remuneration Committee | The committee of the Board of directors reconstituted as our Company’s Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013; |
| Promoters | Promoter of our company are M/s. Mahamaya Financial Consultants Private Limited, M/s. Jayanti Prime Software Advisory Private limited, M/s. Generosity Share Trading Private Limited, M/s. Dhanvarsha Advisory Services Private Limited, |
| Promoter Group | Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited under the SEBI (LODR) Regulations; |
| Registered Office | The registered office of our Company located at Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc. Ltd. New Link Road Andheri West Mumbai-400053; |
| Registrar of Companies | Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra, India; |
| Stakeholders’ Relationship Committee | The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI (LODR) Regulations Section 178 of the Companies Act, 2013; |
| Stock Exchange/ Designated Stock Exchange | BSE Limited. |

ISSUE RELATED TERMS

| Term | Description |
|---|---|
| Abridged Letter of Offer | Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act; |
| Additional Right Shares | The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement; |
| Allot/ Allotment/ Allotted | Unless the context requires, the allotment of Right Shares pursuant to this Issue; |
| Allotment Account | The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act; |
| Allotment Advice | Note, advice, or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue; |
| Allotment Date | Date on which the Allotment is made pursuant to this Issue; |
| Allotees | Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment; |
| Applicant(s)/ Investor(s) | Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor; |
| Application | Application made through (i) Submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price; |
| Application Money | Aggregate amount payable at the time of Application 100% of Issue Price. |
| Application Supported by Blocked Amount/ ASBA | Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB; |
| ASBA Account | Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be; |
| ASBA Applicant /ASBA Investor | As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2021/13 dated January 22, 2021, all investors (including Renouces) shall make an application for an Issue only through ASBA facility; |
| ASBA Bid | Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations; |

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| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011, SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard |
| Bankers to the Issue/ Refund Bank | Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being Axis Bank Limited. |
| Bankers to the Issue Agreement | Agreement dated May 04, 2023 entered into by and amongst our Company, the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money from Investors making an application, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the Agreement. |
| Basis of Allotment | The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ' <i>Terms of the Issue</i> ' beginning on page 80 of this Letter of Offer; |
| Call(s) | 100% payment will be received on application and there will be no further calls for the Call Monies; |
| Controlling Branches /Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time. |
| Consolidated Certificate | The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form. |
| Demographic Details | Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, PAN, DP ID, Client ID, occupation and bank account details, where applicable; |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time; |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996; |
| Draft Letter of Offer/ DLoF | The Draft Letter of Offer dated August 22, 2023, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and In- Principle approval; |
| Escrow Collection Bank | Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being Axis Bank Limited; |
| Eligible Equity Shareholders | Existing Equity Shareholders as on the Record Date i.e. Monday, January 29, 2024. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders; |
| Issue/ Rights Issue | Rights Issue of up to 26,14,53,270 Equity Shares of our Company of face value Rupee ₹ 1.00/- each for cash at a price of ₹ 1.60/- per Right Shares on a rights basis to the Eligible Shareholders of our Company in the ratio of 13 (Thirteen) Right Shares for every 50 (Fifty) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. Monday, January 29, 2024. |
| Issue Opening Date | Tuesday, February 06, 2024. |
| Issue Closing Date | Tuesday, February 13, 2024. |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations; |
| Issue Price | ₹ 1.60/- per Rights Equity Share. |
| Issue Proceeds | The proceeds of the Issue that are available to our Company; |
| Issue Size | Amount aggregating up to ₹ 4,183.25 Lakhs |
| Letter of Offer/ LoF | The final letter of offer to be filed with the BSE Limited after incorporating the observations received from the BSE Limited on the Letter of Offer; |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application; |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 37 of this Letter of Offer; |

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| Non-ASBA Investor/ Non-ASBA Applicant | Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renounces; |
| Non-Institutional Investors/ NIIs | An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations; |
| Offer Document | The Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto; |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws; |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Thursday 08th February, 2024. |
| Payment Schedule | Payment schedule under which 100% (Hundred percent) of the Issue Price is payable on Application. |
| QIBs or Qualified Institutional Buyers | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations; |
| Record Date | Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being Monday, January 29, 2024. |
| Refund through electronic transfer of Funds | Refunds through NECS, Direct Credit, RTGS, NEFT, or ASBA process, as applicable; |
| Registrar to the Issue | Purva Shareregistry (India) Private Limited |
| Registrar Agreement | Agreement dated January 13, 2023, entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue; |
| Renounce | Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation. |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Tuesday, February 06, 2024. Such period shall close on Thursday, February 08, 2024 in case of On Market Renunciation. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounce on or prior to the Issue Closing Date i.e. Tuesday, February 13, 2024; |
| Retail Individual Investors/ RIIs | An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000.00/- (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations; |
| Rights Entitlement (s)/ RES | The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 13 (Thirteen) Equity Shares for every 50 (Fifty) Equity Shares held by an Eligible Shareholder; The Rights Entitlements with a separate ISIN 'INE300B20014' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date; |
| Rights Entitlement Letter | Letter including details of Rights Entitlements of the Eligible Shareholders; |
| Right Shares | Equity Shares of our Company to be Allotted pursuant to this Issue; |
| Transfer Date | The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange; |
| Willful Defaulter | A Company or person, as the case may be, categorized as a willful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1) (III) of SEBI (ICDR) Regulations and in accordance with the guidelines on willful defaulters issued by the RBI, including any company whose director or promoter is categorized as such; |
| Working Day(s) | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. 'Working Day' shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI. |

ABBREVIATIONS

| Term | Description |
|-----------------------------|--|
| ADR | American Depository Receipt; |
| AGM | Annual General Meeting; |
| AIF | Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India; |
| CAF | Common Application Form; |
| CDSL | Central Depository Services (India) Limited; |
| CFO | Chief Financial Officer; |
| CIN | Corporate Identification Number; |
| CIT | Commissioner of Income Tax; |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970; |
| Companies Act | Companies Act, 2013 along with rules made thereunder; |
| Companies Act, 1956 | Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) ; |
| CSR | Corporate Social Responsibility; |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; |
| Depositories Act | The Depositories Act, 1996 and amendments thereto; |
| DIN | Director Identification Number; |
| DP | Depository Participant as defined under the Depositories Act; |
| DP-ID | Depository Participant's Identification; |
| DR | Depository Receipts; |
| EBITDA | Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss; |
| EGM | Extraordinary General Meeting; |
| EEA | European Economic Area; |
| EPS | Earning per Equity Share; |
| FDI | Foreign Direct Investment; |
| FEMA | Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder; |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2020; |
| FII(s) | Foreign Institutional Investors registered with SEBI under applicable laws; |
| FIPB | Foreign Investment Promotion Board; |
| FPIs | Foreign Portfolio Investors; |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018; |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI; |
| FY | Period of 12 months ended March 31 of that particular year, unless otherwise stated; |
| GAAP | Generally Accepted Accounting Principles; |
| GDP | Gross Domestic Product; |
| GDR | Global Depository Receipt; |
| GNPA | Gross Net Performing Assets; |
| GoI / Government | The Government of India; |
| GST | Goods and Services Tax; |
| HUF | Hindu Undivided Family; |
| Ind AS | Indian Accounting Standards; |
| ICAI | The Institute of Chartered Accountants of India; |
| ICSI | The Institute of Company Secretaries of India; |
| IFRS | International Financial Reporting Standards; |
| Indian GAAP/ I-GAAP | Generally Accepted Accounting Principles In India; |
| Income Tax Act/ IT Act | The Income Tax Act, 1961 and amendments thereto; |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016, as amended; |
| INR / ₹ / Rs./ Indian | Indian Rupee, the official currency of the Republic of India; |

| | |
|-------------------------|---|
| Rupees | |
| IT | Information Technology; |
| MCA | The Ministry of Corporate Affairs, GOI; |
| Mn / mn | Million; |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996; |
| N.A. or NA | Not Applicable; |
| NAV | Net Asset Value; |
| NEFT | National Electronic Fund Transfer; |
| Notified Sections | The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect; |
| NR/ Non- Resident | A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI; |
| NRE | Account Non-resident external account; |
| NRI | Non-resident Indian; |
| NSDL | National Securities Depository Limited; |
| NSE | National Stock Exchange of India Limited; |
| OCB | Overseas Corporate Body; |
| p.a. | Per annum; |
| P/E Ratio | Price/Earnings Ratio; |
| PAN | Permanent account number; |
| PAT | Profit after Tax; |
| RBI | Reserve Bank of India; |
| RBI Act | Reserve Bank of India Act, 1934; |
| RoNW | Return on Net Worth; |
| SCORES | SEBI Complaints Redress System; |
| SCRA | Securities Contracts (Regulation) Act, 1956; |
| SCRR | Securities Contracts (Regulation) Rules, 1957; |
| SEBI | Securities and Exchange Board of India; |
| SEBI Act | Securities and Exchange Board of India Act, 1992; |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2020; |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time; |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto; |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto; |
| Securities Act | United States Securities Act of 1933, as amended; |
| STT | Securities transaction tax; |
| Trademark Act | Trademarks Act, 1999 and the rules thereunder, including subsequent amendments thereto; |
| VCF | Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be; |
| w.e.f. | With effect from; |

NOTICE TO INVESTORS

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

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address to our Company, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Eligible Equity Shareholders who do not communicate with the Registrar to the Issue in the manner provided in the chapter titled “Terms of the Issue” and on the website of the Registrar to the Issue at www.purvashare.com to update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and Application Form and Rights Entitlement Letter, shall not be sent the Letter of Offer/ Abridged Letter of Offer and Application Form and Rights Entitlement Letter.

Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of our Company, the Registrar and the Stock Exchange.

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, in the event the Issue Materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

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

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.

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

The contents of the 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 its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, 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.

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

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

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

CERTAIN CONVENTIONS

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us' or similar terms are to Indian Infotech & Software Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

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. 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 unless the context otherwise require, the financial information and data in this Letter of Offer, with respect to our Company, is derived from our Un-Audited Financial Statements for the period ended on September 30, 2023 and Audited financial year ended on March 31, 2023. Which have been prepared in accordance with Ind AS, and the Companies Act, 2013. For further details, please refer to the section titled '*Financial Information*' beginning on page 68 of this Letter of Offer. The financial year of our Company commences on April 01 and ends on March 31.

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.

The IISL has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Financial Statements of our Company for the Financial Years ended March 2022 and March 2023 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013. Our Company publishes its financial statements in Indian Rupees.

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, 2013 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 Statements*" on page 68 of this Letter of Offer.

Certain figures contained in this Letter of Offer, including financial information, have been subject to rounding 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 OF PRESENTATION

- All references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India.
- Any reference to 'US\$', 'USD', '\$' and 'U.S. dollars' are to the legal currency of the United States of America.

Unless stated otherwise, throughout this Letter of Offer, all figures have been expressed in Rupees in Lakh.

INDUSTRY AND MARKET DATA

Unless stated otherwise, industry and market data used throughout this Letter of Offer has been derived from publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Letter of Offer is reliable, neither we have prepared or verified it independently. 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.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled "**Risk Factors**" beginning on page 18 of this Letter of Offer. Accordingly, investment decisions should not be based on such information.

FORWARD LOOKING STATEMENTS

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

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this 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:

- Changes in laws and regulations relating to the Financial Industry and Banking Industry in India.
- Increased competition in Financial Services Industry;
- Our ability to successfully implement our growth strategy and expansion plans;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to manage risks that arise from above factors;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Our inability to maintain or enhance our brand recognition;

- Inability to adequately protect our trademarks; and
- Failure to successfully upgrade our products and service portfolio, from time to time

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see “*Risk Factors*”, and “*Our Business*” beginning on pages 18 and 54 respectively, of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

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

Forward-looking statements reflect the current views of our Company as of the date of this Letter of Offer and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoters, 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 Exchanges.

SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled ‘*Risk Factors*’, ‘*Objects of the Issue*’, ‘*Business Overview*’ and ‘*Outstanding Litigations, Defaults and Material Developments*’ beginning on pages 18, 37, 54, and 71 of this Letter of Offer, respectively.

SUMMARY OF BUSINESS

We are a non-banking finance company (“NBFC”) incorporated in the year 1982 registered with the Reserve Bank of India bearing registration number B-13.0022 to carry on NBFC business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are a Non-systemically important non-deposit taking company with over two decades of lending experience in rural and semi-urban geographies in India. We are primarily engaged in micro centric lending solutions to look after the needs and aspirations of customers. Our portfolio includes Vehicle Finance and Business Finance Products to small business owners. We have a long history of serving all types of markets with high growth potential and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and low cost expansion into underpenetrated areas. Therefore, we strategically focus on clients in the rural and semiurban sector.

Our Key Borrowers

1. Individuals
2. Small business owners which includes all corporate entity

Business Finance to small business owners including SME and MSME Our lending business to small business owners including SME and MSME lending business, primarily involves us extending secured loans and unsecured loans for business purposes to small and medium size enterprises, including Companies, LLP, and businessmen, traders, manufacturers and self-employed professionals. The property securing these loans are typically completed and largely self-occupied residential and commercial property. We believe that our in-depth product knowledge, relevant financial services domain knowledge, ability to structure loans to suit our customers’ financial needs and our short turn-around-time for processing loan applications have positioned us as a preferred credit provider and allows us to benefit from the growing SME and MSME segment in India.

For further details, please refer to the chapter titled ‘*Our Business*’ beginning on page 54 of this Letter of Offer.

PRIMARY INDUSTRY OF OUR COMPANY

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

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

OBJECTS OF ISSUE

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

| Particulars | Amount in Rupees (<i>in Lakh</i>) |
|------------------------------------|-------------------------------------|
| Working Capital Requirement* | 3,500.00 |
| General Corporate Purposes** | 653.25 |
| Net Proceeds from the Issue | 4,153.25 |

* Assuming full subscription and Allotment Money with respect to the Rights Equity Shares.

** The amount to be utilized for general corporate purposes will not exceed 25% of the Gross Proceeds.

For further details, please refer to the chapter titled ‘*Objects of the Issue*’ beginning on page 37 of this Letter of Offer.

PROMOTERS OF THE COMPANY

Our company is promoted by Mahamaya Financial Consultants Private Limited, Jayanti Prime Software Advisory Private limited, Generosity Share Trading Private Limited, Dhanvarsha Advisory Services Private Limited.

INTENTION AND EXTENT OF PARTICIPATION BY THE PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group has, vide letter dated May 30, 2023 (the “Subscription Letter”) informed us regarding their participation in the Right Issue.

Our Promoter and Promoter Group expressed their intention:

(i) to subscribe and participate in the Issue upto 31,25,000 Equity Shares for an amount of upto ₹ 50.00 Lakhs. Our Promoter and Promoter Group will not be able to subscribe to the full extent of its Rights Entitlements in the Issue.

(ii) that they may renounce the Rights Entitlements in favour of or amongst Promoter Group or Third Parties

In case for any such subscription for Right Shares by the Promoters of our Company, if allotted, may result in an increase in their shareholding percentage in the Company. The allotment of Right Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the Standalone Audited Financial Statements for the year ended on March 31, 2023, along with Standalone Audited Financial Statements for the financial years ending March 31, 2022.

(₹ in Lakh)

| Particulars | For the period ended on September 30, 2023 | For the year ended March 2023 | For the year ended March 2022 |
|----------------------------------|---|----------------------------------|----------------------------------|
| Equity Share Capital | 10,055.89 | 10,055.89 | 10,055.89 |
| Net Worth | 23,702.50 | 22,981.33 | 22,923.84 |
| Total Income | 1,095.28 | 4,706.13 | 5,539.23 |
| Profit / (loss) after tax | 721.17 | 60.59 | 31.72 |
| Basic EPS | 0.07 | 0.00 | 0.00 |
| Diluted EPS | 0.07 | 0.00 | 0.00 |
| Net asset value per Equity Share | 2.36 | 2.29 | 2.28 |
| Total borrowings | 30.00 | 30.00 | 30.00 |

For further details, please refer to section titled ‘*Financial Statements*’ beginning on page 68 of this Letter of Offer.

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled ‘*Financial Statements*’ beginning on page 69 of this Letter of Offer.

OUTSTANDING LITIGATIONS

| Nature of cases | Number of cases | Amount involved |
|---|-----------------|-----------------|
| Litigations involving our Company | | |
| Litigation Involving Actions by Statutory/Regulatory Authorities; | Nil | Nil |
| Litigation involving Tax Liabilities; For F.Y. 2015-16 Tax Amount 2,13,48,900 & Penalty Rs. 1,13,04,670 Total Rs. 3,26,53,570 The same is under protest and the company has filed appeal with commissioner For F.Y. 2017-18 Tax Amount Rs. 1,06,890 This order passed by CPC under Section 143(3) which is also under protest | 2 | 3,27,60,460 |

| | | |
|--|-----|-----|
| Proceedings involving issues of moral turpitude or criminal liability on the part of our Company; | Nil | Nil |
| Proceedings involving Material Violations of Statutory Regulations by our Company; | Nil | Nil |
| Matters involving economic offences where proceedings have been initiated against our Company; | Nil | Nil |
| Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company; | Nil | Nil |
| Litigation involving our Directors, Promoters and Promoter Group; | Nil | Nil |
| Litigation involving our Group Companies; | Nil | Nil |

For further details, please refer to section titled '*Outstanding Litigations, Defaults and Material Developments*' beginning on Page 71 of this Letter of Offer.

RISK FACTORS

For details of the risks associated with our Company, please see the section titled "*Risk Factors*" beginning on page 18

CONTINGENT LIABILITIES

For details of contingent liabilities for the FY 2022-2023, please see the section titled "*Financial Information*" beginning on page 68

RELATED PARTY TRANSACTIONS

For details of related party transactions for the FY 2022-2023, please see the section titled "*Financial Information*" beginning on page 68

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN LAST ONE YEAR

Other than as disclosed in "*Capital Structure*" on page 34 of this Prospectus, no Equity Shares have been issued by our Company for consideration other than cash preceding the date of this Letter of Offer.

SPLIT/ CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Letter of Offer.

EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

Our Company has not applied for or received any exemption from the SEBI from complying with any provisions of securities laws, as on the date of this Letter of Offer.

SECTION III – RISK FACTORS

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in ‘**Business Overview**’, ‘**Industry Overview**’, and ‘**Financial Statements**’ beginning on pages 54, 44, and 68 respectively in this Letter of Offer, before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to ‘we’, ‘us’, ‘our’ refers to our Company.

INTERNAL RISK FACTORS

1. There are outstanding legal proceedings involving our Company, Promoters and Directors Any adverse decision in such proceeding may have a material adverse effect on our business, results of operations and financial condition.

We are involved in certain legal proceedings which are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. We cannot provide assurance that these legal proceedings will be decided in our favour. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. A summary of the pending civil and other proceedings involving Our Company is provided below:

A classification of legal proceedings is mentioned below:

| Nature of cases | Number of cases | Amount involved |
|---|-----------------|-----------------|
| Litigations involving our Company | | |
| Litigation Involving Actions by Statutory/Regulatory Authorities; | Nil | Nil |
| Litigation involving Tax Liabilities; 1. For F.Y. 2015-16 Tax Amount 2,13,48,900 & Penalty Rs. 1,13,04,670 Total Rs. 3,26,53,570 The same is under protest and the company has filed appeal with commissioner 2. For F.Y. 2017-18 Tax Amount Rs. 1,06,890 This order passed by CPC under Section 143(3) which is also under protest | 2 | 3,27,60,460 |
| Proceedings involving issues of moral turpitude or criminal liability on the part of our Company; | Nil | Nil |
| Proceedings involving Material Violations of Statutory Regulations by our Company; | Nil | Nil |
| Matters involving economic offences where proceedings have been initiated against our Company; | Nil | Nil |
| Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company; | Nil | Nil |
| Litigation involving our Directors, Promoters and Promoter Group; | Nil | Nil |
| Litigation involving our Group Companies; | Nil | Nil |

2. *The novel coronavirus (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 and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period. Currently, there is substantial medical uncertainty regarding COVID-19 and this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. In case due to any consequent wave of Coronavirus, if long-term lockdown is imposed in the country or the state in which we perform of business, we may face losses and our business operations could be severely impacted.

3. *The financing industry is becoming increasingly competitive, and our Company's growth and profitability will interalia depend on its ability to compete effectively.*

Our Company faces increasing competition from public and private sector Indian commercial banks, and from other financial institutions that provide financial products or services. Some of our Company's competitors have greater resources than our Company does. The competition our Company faces from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the ongoing evolution of government policies relating to the industry, the entry of new participants in the industry and the extent to which there is consolidation among banks and financial institutions in India.

4. *We provide unsecured loans to our borrowers. If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.*

Our Company mainly provides unsecured loans i.e., loans without any security. Hence, we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our Company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers, there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

Our management of credit risk involves having appropriate credit policies, underwriting standards, approval processes, loan portfolio monitoring, collection and remedial management, provisioning policies and an overall architecture for managing credit risk. However, even if our credit monitoring and risk management policies and procedures are adequate and appropriately implemented, we may not be able to anticipate future economic or financial developments or downturns, which could lead to an increase in our NPAs. If our NPAs increase or the credit quality of our borrowers deteriorates, it could have an adverse effect on our business, financial condition, results of operations and cash flows.

5. *We operate in a highly competitive industry.*

Given the diversity of our businesses, and the products and services offered by us, we face competition from the full spectrum of public sector banks, private sector banks (including foreign banks), financial institutions, captive finance partners of players in many industries, small finance banks and other NBFCs. Many of our competitors may have greater resources than we do, may be larger in terms of business volume and may have significantly lower cost of funds compared to us. They may also have greater geographic reach, long-standing partnerships and may offer their customers other forms of financing that we may not be able to provide. Competition in Industry Overview depends on, amongst others, the ongoing development of government and regulatory policies, the entry of new participants and the extent to which there is merging among banks and financial institutions in India. In relation to the advisory and investment banking services we offer, we also face competition from banks, boutique investment bankers and consulting organizations. Possibly, these service providers could compete with us for business as well as gaining of funds at competitive rates. We cannot assure you that we will be able to react effectively to these or other market developments or compete effectively with new and present players in our progressively competitive industry and our inability to compete effectively may adversely affect our business.

6. *Our business is vulnerable to interest rate risk and volatility in interest rates which could adversely affect our income from our operations and adversely affect our financial performance and profitability.*

Our business is dependent on interest income from the loans disbursed. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

7. *Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash*

flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

Our Company has experienced negative net cash flow from investing and operating activities in the recent past, the details of which are provided below:

Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

Our Company has experienced negative net cash flow from investing and operating activities in the recent past, the details of which are provided below:

| Particulars | For the period ended on September 30, 2023 | For the year ended March 2023 | For the year ended March 2022 |
|---|--|-------------------------------|-------------------------------|
| Net Cash Flow from/(used in) Operating Activities | 97.25 | 736.71 | 1,137.32 |
| Net cash generated from/(used in) Investing activities | 0.00 | -977.13 | -981.30 |
| Net Cash Flow from/(used in) Financing Activities | 0.00 | -977.13 | 0.00 |

For further details, please refer to the section titled '*Financial Information*' beginning on page 68 of this LOF.

8. *The Statutory Auditor of the Company has issued a qualification remark addressing the concern that, the Company does not have an appropriate internal control system.*

As per the Audited Financial Statements for the Financial Year ending March 31, 2022, the Statutory Auditor of the Company has issued a qualification remark on the internal control system of the Company; as per the observations drawn by the Statutory Auditor, it has been observed that:

The Company does not have an appropriate internal control system for granting of loans. Further, the demand and other loans given are governed by the Board policies.

- a) No appraisal, renewal, policies, procedure, committee, or documents have been prescribed and executed.
- b) The Company's internal control system is not commensurate to the size and scale of operation over purchase and sale of shares and inventory and for expenses incurred.

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

The liquidity and profitability of our business majorly depend on our timely access to, and the costs associated with, raising funds. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Further, our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue secure low-cost funding at rates lower than the interest rates at which we lend to our customers. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including our current and future results of operations and financial condition, global and local macroeconomic conditions and the effect of events such as a pandemic, our risk management policies, the shareholding of Promoters in our Company, our credit ratings, our brand equity, the regulatory environment and policy initiatives in India and developments in the international markets affecting the Indian economy. If we are unable to access funds at an effective cost that is comparable to or lower than that of our competitors, our net interest margins, income, and market share may be adversely affected.

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

- banks from granting bridge loans of any nature, provide interim finance against capital or debenture issues or in the form of loans of a temporary nature pending the raising of long-term funds from the market by way of capital, deposits, or other means to any category of NBFCs;

- banks from accepting shares and debentures as collateral for secured loans granted to NBFCs; and
- banks from executing guarantees covering inter-Company deposits or loans that guarantee refund of deposits or loans accepted by NBFCs. The Master Circular also requires that guarantees not be issued by banks for the purpose of indirectly enabling the placement of deposits with NBFCs.

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

10. As an NBFC, we must adhere to several regulatory norms prescribed by RBI from time to time. Further, as the Equity Shares of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations and permissions for operating our business. Such approvals, licenses, registrations, and permissions must be maintained / renewed over time, and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change, and we may not be aware of or may comply with all requirements all of the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

Further, as the Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and must adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavors to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

11. Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and skilled personnel. We face a continuing challenge to recruit and retain enough suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future plans.

12. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations, and goodwill could be adversely affected.

13. Our Company does not have insurance policies to cover all risks, specifically risks of NPA etc. In the event of the occurrence of such events, it will not be protecting us against possible risk of loss.

Our Company does not have obtained insurance coverage in respect of certain risks. As insurance significant insurance policies consist of, among others, standard fire and special perils, fidelity guarantee, plate glass insurance, etc. While we believe that we do not maintain insurance coverage in adequate amounts consistent with size of our business.

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

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

that our Equity Shares will appreciate.

15. We require number of approvals, NOCs, licenses in ordinary course of our Business.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licenses, registrations or permits, or any suspension or revocation of any of the approvals, licenses, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

16. We cannot assure you that the approvals, licenses, registrations and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

17. 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 Rs. 10,000.00 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 utilization 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 utilization of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the section titled ‘*Objects of the Issue*’ on page 37 of this Letter of Offer.

18. We do not possess certain premises used by us. Distraction of our rights as licensee/ lessee or termination of the agreements with our licensors/ lessors would unfavorably impact our business operations and, so, our business.

As on the date of this Letter of Offer, our Registered Office, have been taken on lease by our Company from third parties on leave and license agreement basis. There is no assurance that our Company will be able to renew the lease agreements or deeds entered into with third parties in a timely manner or at all. Further, there is no assurance that we will not face any disruption of our rights as a lessee/ licensee and that such leave and license and lease agreements will not be terminated prematurely by the licensor/lessor except the completion of Lock-in Period. Any such non-renewal or early termination or any disruption of our rights as lessee / licensee might adversely affect our business operations.

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

As a Listed Company, we have to comply with numerous regulatory filings, maintenance of record etc. under the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 (“Listing Regulation”), Securities Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulation, 2011 and our company is also a NBFC registered under RBI NBFC Regulations and the company is abide to comply the compliances and guidelines of RBI (NBFC) Compliances and other laws and regulation as applicable.

Any non-compliance of the applicable laws they may impose the penalty on the Company. Such penalty may impact the results of operations and financial condition of the Company.

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

Misconduct by our employees could bind us to transactions that exceed authorised limits or present unacceptable risks, and our employees could conceal unauthorized or unlawful activities from us. Employee misconduct could also involve front running in securities markets or the improper use or disclosure of confidential information or non-compliance with insider trading rules, which could result in regulatory sanctions and serious reputational or financial harm. It is not always possible to deter fraud or misconduct by employees, and the precautions we have taken and the systems we have put in place to prevent and deter such activities may not be effective in all cases. Any instances of fraud or misconduct could adversely affect our reputation, business, results of operations and financial condition.

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

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled '**Industry Overview**' beginning on page 44 of this Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

ISSUE SPECIFIC FACTORS

22. *Our Company will not distribute the Offer Documents to certain overseas shareholders who have not provided an address in India for service of documents.*

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are located in jurisdictions where the offer and sale of the Right Shares permitted under laws of such jurisdictions and in each case who make a request in this regard. The Offer Documents 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 Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

23. *SEBI has recently, by way of circulars dated January 22, 2021, May 6, 2021, and January 19, 2022, 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, 2021, May 6, 2021, and January 19, 2022, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For further details, please refer to the section titled 'Terms of the Issue' beginning on page 80 of this Letter of Offer.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialized 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) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because 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.

25. *SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see '**Terms of the Issue**' on page

80 of this Letter of Offer.

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

- Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or
- Equity Shares held in the account of IEPF authority; or
- The demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit or credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or
- Equity Shares held by Eligible Equity Shareholders holding Equity Shares in the physical form on the Record Date the details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or
- Credit of the Rights Entitlements returned/reversed/failed; or
- The ownership of the Equity Shares currently under dispute, including any court proceedings.

26. *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.

27. *Investors shall not have the option to receive Right Shares in physical form.*

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form;

28. *The entitlement of Right Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.*

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. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

29. *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.*

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has been recently 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, 2021 and May 6, 2021, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2021/136 dated July 24, 2021, 'SEBI/HO/CFD/DIL1/CIR/P/2022/13 dated January 19, 2022', 'SEBI/HO/CFD/DIL2/CIR/P/2022/552 dated April 22, 2022', and 'SEBI/HO/CFD/DIL2/CIR/P/2022/633 dated October 01, 2022', and ensure completion of all the necessary steps in relation to providing/updating their demat account details in a timely manner. For further details, please refer to the section titled 'Terms of the Issue' on page 80 of this Letter of Offer. In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue

Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

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

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

Further, the Finance Act, 2020, which has been notified with effect from April 01, 2020, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2020, and have come into effect from July 01, 2021.

The Finance Act, 2021 has also provided several amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2021, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

31. *You may not receive the Equity Shares that you subscribe in the Issue until 15 (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 (Fifteen) 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.

32. *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.

33. *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 applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Right Shares issued pursuant to this Issue will not be applied for or granted until after the Right Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Right Shares to be submitted. Accordingly, there could be a delay in listing the Right Shares on the NSE. If there is a delay in obtaining such approvals, we may not be able to credit the Right Shares allotted to the Investors to their depository participant accounts or assure ownership of such Right Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Right Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled '*Terms of the Issue*' beginning on page 80 of this Letter of Offer.

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

On listing, our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be

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

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

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

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

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

EXTERNAL RISK FACTORS

37. *Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude;

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

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favorable terms or at all.

39. *The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

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

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

- **Operations and business continuity:** Pursuant to the lockdown, we temporarily closed our office. With the easing of the lockdown, we have gradually resumed business operations, following hygiene checks and sanitization. However, a surge in the number of COVID-19 cases in the future could result in a complete or partial closure of, or other operational issues at our offices resulting from government action.
- **Collections:** The lockdown resulted in an inability to physically collect from the retail customers on-field due to several restricted activities. Further, our collections were affected owing to the restrictions on gathering of more than certain number of people specifically in relation to micro loans where collections are undertaken through a meeting. Since the gradual relaxations in the lockdown, we have recommenced our collection efforts and increased our workforce dedicated to collection efforts. However, such efforts could be adversely affected in case there is a surge in COVID-19 cases.
- **Net interest income and Fee income:** With the slowdown in disbursement and maintenance of additional liquidity, there was a substantial drop in fee income and net interest income in the first quarter of Financial Year 2022. The fees earned by way of processing fees, cross-selling could be further impacted due to slower economic activity on account of the pandemic.
- **Non-payment or defaults by customers:** Due to economic slowdown caused by the COVID-19, there could be delays and defaults associated with repayment of advance from customers which may adversely affect our cash flows.
- **Security:** There was an increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware, and impersonation tactics, resulting from the increase in numbers of individuals working from home.
- **Productivity:** Inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home may affect our business and results of operations.
- **The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. Other factors include but are not limited to significant volatility in financial markets and measures adopted by governments and central banks.**

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

We are incorporated in India, and all 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.

42. *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.

43. *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.

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

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

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

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

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes 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. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as 'GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

46. *Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.*

The Government of India has announced the union budget for Fiscal 2022 and the Ministry of Finance has notified the Finance Act, 2021 (hereinafter referred to as 'Finance Act') on March 27, 2021, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2021. There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition, and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2020 (hereinafter referred to as 'Bill') has been introduced before the Lok Sabha on December 11, 2020, which is currently being referred to a joint parliamentary committee by the Parliament. 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 impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

47. *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.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on August 22, 2023 in pursuance of Section 62 of the Companies Act, 2013.

Resolution of the Board of Directors dated January 15, 2024 approving and adopting the Letter of Offer;

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in '*Terms of the Issue*' on PAGE 80 of this Letter of Offer.

| Particulars | Details of Equity Shares |
|---|--|
| Equity Shares outstanding prior to the Issue | 100,55,89,500 Equity Shares |
| Right Shares proposed to be Issued in this Issue | Upto 26,14,53,270 |
| Rights Entitlement Ratio | 13 (Thirteen) Equity Shares for every 50 (Fifty) Equity Shares held on the Record Date being Monday, January 29, 2024. |
| Face Value per Equity Share | ₹ 1.00/- |
| Issue Price per Equity Share | ₹ 1.60/-per Rights Equity Shares |
| Issue Size | Upto 26,14,53,270 Equity Shares of face value of ₹ 1.00 each for cash at a price of ₹ ₹ 1.60/- (Including a premium of ₹ 0.60/-) per Rights Equity Share not exceeding an amount upto ₹ 4,183.25 Lakh. |
| Money payable at the time of Application | On Application, Investors will have to pay ₹ 1.60/- (One Rupee and Sixty paise Only) per Rights Equity Share which constitutes 100% (Hundred percent) of the Issue Price. |
| Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | 1,26,70,42,770 Equity Shares |
| 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 50 (Fifty) Equity Shares or is not in multiples of 50 (Fifty), 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; |
| Voting Rights and Dividend | The Right Shares issued pursuant to this Issue shall rank pari-pasu in all respects with the Equity Shares of our Company. |
| Terms of the Issue | Please refer to the section titled ' <i>Terms of the Issue</i> ' beginning on PAGE 80 of this Letter of Offer; |
| Use of Issue Proceeds | Please refer to the section titled ' <i>Objects of the Issue</i> ' beginning on page 37 of this Letter of Offer; |
| Security Code/ Scrip Details | ISIN: INE300B01022; BSE Scrip Code: 509051; BSE Scrip ID: INDINFO; ISIN for Rights Entitlements: INE300B20014 |

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 | Tuesday, February 06, 2024 |
| Last Date for On Market Renunciation of Rights | Thursday, February 08, 2024 |
| Issue Closing Date* | Tuesday, February 13, 2024 |

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

GENERAL INFORMATION

Our Company was incorporated on May 22, 1982, as a public limited company, in the name and style 'Indian Leasers Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Bombay, Maharashtra, India. Subsequently, the name of our Company was changed to from 'Indian Leasers Limited' to 'Indian Infotech & Software Ltd' on July 20, 1998 and a Certificate of Incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra. Pursuant to the order of the Honorable Bombay High Court dated May 4, 2012 approving the Scheme of Arrangement, the Nikkietal Co. Limited and Lambodar Nirmitt Limited was merged with Indian Infotech and Software Limited. Pursuant to completion of said merger, the Company has issued and allotted the equity shares to the shareholders of both the transferor companies, the securities of the company are listed on the BSE Ltd. (Stock Exchange) since April 19th, 1985. Our Company is a Non-Banking Financial Company (NBFC) having Certificate of Registration under Section 451A of the Reserve Bank of India Act, 1934 vide COR no. B-13.00221 granted by Reserve Bank of India to carry on the business of non-banking financial institution without accepting public deposits.

REGISTERED OFFICE OF OUR COMPANY

| | |
|--|--|
| Company | INDIAN INFOTECH & SOFTWARE LIMITED |
| Registered Office Address | Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc Limited New link Road Andheri West Mumbai – 400053, Maharashtra India. |
| Contact Number | 022-49601435 |
| Email-ID | indianinfotechsoftware@yahoo.com |
| Website | www.indianinfotechandsoftwareltd.in |
| Corporate Identification Number | L70100MH1982PLC027198 |
| Registration Number | 027198 |
| RBI Registration Number | B-13.00221 |
| BSE Scrip ID | INDINFO |
| BSE Scrip Code | 509051 |
| ISIN | INE300B01022 |

ADDRESS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies, Mumbai Address: 100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India

BOARD OF DIRECTORS

| Name of Director | Designation | DIN | Address |
|-------------------------|--------------------------------------|------------|--|
| Mr. Manish Badola | Managing Director | 05016172 | A/201, Singhad CHS, Shivaji Nagar Nilemore, Nallasopara West, Nale Palghar, - 401203 |
| Mr. Vinay Kumar K Yadav | Non-Executive Independent Director | 09630182 | C-09 – Narmada Nagar, Building B Chs Ltd, Cabin Cross Road Near Narmada Nagar, Bhayandar East - 401105 |
| Mr. Hari Singh Rao | Non-Executive – Independent Director | 05132581 | 1506- Boulevard 01, Lal Bahadur Shastri Marg Ghatkopar West, Opp R-City Mall Mumbai -400086. |
| Mr. Hemant Vadilal Modi | Executive Director | 09630204 | D-804 Ratnadeep Towers, Nr. Arjun Tower, B/H C.P Nagar, Ghatlodia Ahmedabad- Gujarat-380061 |
| Mr. Sandeep Kumar Sahu | Non-Executive – Independent Director | 06396817 | Jablapur Road Behind Petrol pump lugharwara Lugharwada seoni, Madhya Pradesh, 48066. |
| Ms. Aksha Bihani | Non-Executive - Independent Director | 08102933 | 32A Brindaban Basak Street, Hathkhola, Kolkata West Bengal, India-700005. |

For further details of our Board of Directors, please refer to the section titled 'Our Management' beginning on page 65 of this Letter of Offer.

INTRMEDIARIES

| COMPANY SECRETARY AND COMPLIANCE OFFICER | CHIEF FINANCIAL OFFICER |
|--|---|
| Mr. Mushahid Ahmed Khan Company Secretary cum Compliance Officer ICSI Membership No. A49192 Address: 46/1, Sadar Bazar, Indore, Madhya Pradesh MP 452006 Email Id: indianinfotechsoftware@yahoo.com Tel. No. 022- 49601435 | Mr. Hemant Vadi Modi Chief Financial Officer (CFO) Address: D-804 Ratnadeep towers, Nr. Arjun tower, b/h C.P Nagar, Ghatlodia Ahmedabad- Gujarat – 380061 Email Id: indianinfotechsoftware@yahoo.com Tel. No. 022- 49601435 |
| STATUTORY AUDITORS | SECRETARIAL AUDITOR |
| M/s. Adv and Associates (FRN: 128045W) Chartered Accountants Address: B-Wing, 601-605, Raylon Arcade, RK Mandir Road, Kondivita, Andheri (E), Mumbai 400059 Email Id: advassociates@gmail.com Tel. No: +91 9167664141 | M/s Brajesh Gupta & Associates Company Secretary in Practice Address: I-74, LIG COLONY, INDORE (M.P.)-452007 Email Id: brajesh.cs19@gmail.com Tel. No: 917566666512 |
| REGISTRAR TO THE ISSUE TO THE ISSUE | REGISTRAR AND SHARE TRANSFER AGENT |
| Purva Sharegistry (India) Pvt. Ltd. Address: Unit no. 9, Shiv Shakti Ind. Estt. J.R. Boricha Marg, Lower Parel (E), Mumbai 400 011. Telephone: +91 22 49614132; +91 22 497000138; +91 22 31998810; + 91-22-2301 2518 /6761; E-mail: support@purvashare.com; Website: https://purvashare.com; Contact person: Deepali Dhuri (Compliance Officer) Investor grievance: support@purvashare.com; SEBI Registration No: INRO00001112; Validity of Registration: Permanent | LINK INTIME INDIA PVT. LTD. Address: C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083 Phone: +91 22 4918 6000 Tel. no. 022 – 4918 6060 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in SEBI Registration No: INR000004058 Validity of Registration: Permanent |
| BANKER TO OUR COMPANY | BANKER TO THE ISSUE |
| YES BANK Branch: 0210 SEEPZ, Andheri, Ahura Centre, Shop No. 19 and 20, Ground Floor, Mahakli Caves Road, Landmark Next to HDFC Bank Andheri East, 400093. | AXIS Bank Branch: FORTUNE-2000, GF, G Block BKC, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra 400051 |

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-Issue or post- Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB (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 of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process).

For details on the ASBA process, see “*Terms of the Issue*” beginning on page 80 of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time, or at such other website as may be prescribed from time to time. Further, for a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link or any such other website as may be prescribed by SEBI from time to time.

ALLOCATION OF RESPONSIBILITIES

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

CREDIT RATING

This being a Rights Issue of Equity Shares, there is no requirement of credit rating.

DEBENTURE TRUSTEES

Since this is not a Debenture issue, appointment of debenture trustees is not required.

MONITORING AGENCY

Since the size of the Issue is less than Rs. 10,000 Lakh, our Company is not required to appoint a monitoring agency in relation to this Issue.

APPRAISING AGENCY

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

UNDERWRITING

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

EXPERTS

Except for the reports of the Auditor of our Company on the Audited Financial Information and Statement of Tax Benefits, included in the Letter of Offer/ Letter of Offer, our Company has not obtained any expert opinions.

MINIMUM SUBSCRIPTION

As per Regulation 86 of SEBI ICDR Regulations, the clause of minimum subscription will be applicable to the Company. If the Company does not receive the minimum subscription of 90% of the Issue Size, or the subscription level falls below 90% of the Issue Size, after the Issue Closing Date on account of withdrawal of applications, the Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, the Company will pay interest for the delayed period at the rate of 15% p.a. as prescribed under SEBI ICDR Regulations.

FILING

The Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Letter of Offer as the size of issue is less than Rs. 5,000.00 (Five Thousand Lakh). The Letter of Offer has been filed with BSE Limited for obtaining in-principle approval. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website to the e-mail address: cfddil@sebi.gov.in.

ISSUE SCHEDULE

| | |
|--|-----------------------------|
| Issue Opening Date | Tuesday, February 06, 2024 |
| Last date for On Market Renunciation of Rights* | Thursday, February 08, 2024 |
| Issue Closing Date | Tuesday, 13th February 2024 |
| Finalisation of Basis of Allotment(on or About) | Thursday, 15 February, 2024 |
| Date of Allotment (on or About) | Thursday, 15 February, 2024 |
| Date of credit of Shares(on or About) | Monday, 19 February, 2024 |
| Date of listing(on or About) | Monday, 26 February, 2024 |

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

The Board of Directors will have the right to extend the Issue period as it may determine from time to time, provided the Issue will not be kept open in excess of 30 days from the Issue Opening Date. For further details, please see the chapter titled “*Terms of the Issue*” beginning on page 80.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

| Particulars | Amount (in Lakhs) | |
|---|-------------------------|--------------------------------|
| | Aggregate Nominal Value | Aggregate Value at Issue Price |
| Authorized Equity Share capital | | |
| 1,27,00,00,000 Equity Shares | ₹ 12,700.00 | NA |
| | | |
| Issued, subscribed and paid-up Equity Share capital before this Issue | | |
| 100,55,89,500 Equity Shares | ₹ 10,055.89 | NA |
| | | |
| Present Issue in terms of this Letter of Offer^{(a) (b)} | | |
| 26,14,53,270 Issue of Equity Shares, each at a premium of ₹ 0.60/- per Equity Share, at an Issue Price of ₹1.60/- per Equity Share. | ₹ 26,145.32 | ₹ 4,183.25 |
| Issued Equity Share capital after the Issue | | |
| 1,26,70,42,770 Equity Shares | ₹ 126,704.27 | |
| | | |
| Securities premium account | | |
| Before the Issue | ₹14,693.91 | |
| After the Issue ^(c) | ₹16,262.63 | |

a) *The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on August 22, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act;*

b) *Resolution of the Board of Directors dated January 15, 2023 approving and adopting the Letter of Offer;*

c) *Assuming full subscription to the Right Entitlements and for Allotment of Right Shares;*

NOTES TO THE CAPITAL STRUCTURE

- The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer;
- At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;
- As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹1.60.
- Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible at a later date into Equity Shares.
- As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares.

Details of stock option scheme of our Company

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

1. Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

2. Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer

No Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of this Letter of Offer.

INTENTION AND PARTICIPATION BY THE PROMOTER AND PROMOTER GROUP

Our Promoter and Promoter Group has, vide letter dated May 30, 2023 (the “Subscription Letter”) informed us regarding their participation in the Right Issue.

Our Promoter and Promoter Group expressed their intention:

(i) to subscribe and participate in the Issue upto 31,25,000 Equity Shares for an amount of upto ₹ 50.00 Lakhs. Our Promoter and Promoter Group will not be able to subscribe to the full extent of its Rights Entitlements in the Issue.

(ii) that they may renounce the Rights Entitlements in favour of or amongst Promoter Group or Third Parties

In case for any such subscription for Right Shares by the Promoters of our Company, if allotted, may result in an increase in their shareholding percentage in the Company. The allotment of Right Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Further, such subscriptions of Equity Shares, may result in an increase in their percentage shareholding above its current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue shall be as per the permissible limit/level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates as prescribed under the applicable laws.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

SHAREHOLDING PATTERN OF THE COMPANY

Shareholding pattern of our Company as prescribed under Regulation 31 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and last submitted to the stock at the end of quarter ended June 31, 2023 to stock exchanges is available on below link:

<https://www.bseindia.com/stock-share-price/indian-infotech--software-ltd/indinfo/509051/shareholding-pattern/>

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, for the period ended March 31, 2023 can be accessed on the website of the BSE at:

<https://www.bseindia.com/stock-share-price/indian-infotech--software-ltd/indinfo/509051/qtrid/117.00/shareholding-pattern/Mar-2023/>

The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the letter of offer with the designated stock exchange:

There is no acquisition by any person belonging to “Promoter & Promoter Group” of the Company.

The statement showing shareholders holding more than 1% of the total number of Equity Shares for the period ended March 31, 2023 is as follows:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=509051&qtrid=118.00&QtrName=June%202023>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=509051&qtrid=118.00&QtrName=June%202023>

EX-RIGHTS PRICE PER EQUITY SHARE

The ex-rights price per Equity Share as per Regulation 10(4)(b)(ii) of the SEBI Takeover Regulations is ₹ 2.06. The ex-rights price per Equity Share has been calculated assuming full subscription to the Issue.

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

The Issue includes a fresh Issue of upto 26,14,53,270 Equity Shares of our Company at an Issue Price of ₹1.60 per Equity Share.

Fresh Issue

The details of the proceeds of the Fresh Issue are summarized below:

(₹ in Lakhs)

| Particulars | Amount |
|--|-----------------|
| Gross Proceeds from the Fresh Issue [^] | 4,183.25 |
| Less: Estimated Issue related expenses ^{^^} | 30.00 |
| Net Proceeds of the Fresh Issue | 4,153.25 |

[^] assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

^{^^} To be finalized upon determination of the Issue Price and updated in the Letter of Offer, see “*Estimated Issue Related Expenses*” on page 37.

Requirement of Funds

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

- a. To meet the Working Capital Requirements of the company.
- b. General Corporate Purposes

(Collectively referred as the “Objects”)

The main object clause and the ancillary object clause of the Memorandum of Association of our Company enable us to undertake our existing activities and the activities for which we are raising funds through the Issue. The existing activities of our Company are within the object clause of our Memorandum. The Fund requirement and deployment is based on internal management estimates and has not been appraised by any bank and financial institution.

Schedule of Implementation, Requirement of Funds and Utilization of Net Proceeds

The Net Fresh Issue Proceeds are proposed to be utilized and are currently expected to be deployed in the manner set out in the following table:

(₹ in lakhs)

| Sr. No. | Particulars | Amount to be funded from Net Proceeds | Estimated deployment of Net Proceeds by the Financial Year ended March 31, 2024 |
|---------|------------------------------|---------------------------------------|---|
| 1 | Working Capital Requirements | 3,500.00 | 3,500.00 |
| 2 | General Corporate Purposes* | 653.25 | 653.25 |
| | Total | 4,153.25 | 4,153.25 |

* Amount utilized for general corporate purposes shall not exceed 25% of the gross proceeds of the issue.

The fund requirements, the deployment of funds and the intended use of the Net Proceeds as described herein are based on our current business plan, management estimates, and other commercial and technical factors. However, such fund requirements and deployment of funds have not been appraised by any bank, or financial institution. We may have to revise our funding requirements and deployment on account of a variety of factors such as our financial and market condition, business and strategy, competition, negotiation with vendors, variation in cost estimates on account of factors, and other external factors such as changes in the business environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable laws.

In the event that the estimated utilization of the Net Proceeds in a scheduled financial year is not completely met, due to the reasons stated above, the same shall be utilised in the next financial year, as may be determined by our Company, in accordance with applicable laws.

Subject to applicable laws, in the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such

additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements. Further, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used towards general corporate purposes to the extent that the total amount to be utilised towards general corporate purposes will not exceed 25% of the Net Proceeds in accordance with the SEBI ICDR Regulations.

Means of Finance:

Since the entire fund requirement will be met from the Net Proceeds hence, no amount is proposed to be raised through any other means of finance. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1) (c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details of the Object of the Issue

1) To Meet Working Capital Requirements

Our business is working capital intensive. We finance our working capital requirement from our internal accruals. Considering the existing and future growth, the working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach ₹26,513.61 Lakhs for FY 2023-2024. We intend to meet our working capital requirements to the extent of ₹3,500.00 Lakhs from the Net Proceeds of this Issue and the balance will be met from internal accruals at an appropriate time as per the requirement.

Basis of estimation of working capital

The details of our Company's composition of working capital as at March 31, 2023, 2022 and 2021 based on the Audited Financial Statements and working capital estimates for March 31, 2024 and the source of funding of the same are as set out in the table below:

(₹ in lakhs)

| Particulars | March 31, 2021 | March 31, 2022 | March 31, 2023 | March 31, 2024 |
|---------------------------------------|------------------|------------------|------------------|------------------|
| | Audited | Audited | Audited | Estimated |
| Current Assets | | | | |
| Inventories | 1,017.81 | 1,017.81 | 24.11 | 24.11 |
| Cash and Cash Equivalents | 88.91 | 244.92 | 4.51 | 100.00 |
| Short Term Loans & Advances | 21,754.64 | 21,494.91 | 22,740.66 | 25,975.00 |
| Other Current Assets | 121.45 | 266.20 | 325.55 | 525.00 |
| Total (I) | 22,982.81 | 23,023.85 | 23,094.82 | 26,624.11 |
| Current Liabilities | | | | |
| Trade Payables | 4.95 | 0.51 | 2.49 | 2.00 |
| Other Current Liabilities | 2.00 | 4.61 | 6.67 | 8.50 |
| Short Term Provisions | 54.39 | 64.88 | 74.34 | 100.00 |
| Total (II) | 61.34 | 70.00 | 83.50 | 110.50 |
| Net Working Capital (I) – (II) | 22,921.47 | 22,953.85 | 23,011.32 | 26,513.61 |
| Funding Pattern: | | | | |
| Short-Term Borrowings from Banks | 30.00 | 30.00 | 30.00 | 30.00 |
| Internal Accruals | 22,891.47 | 22,923.85 | 22,981.32 | 22,983.61 |
| Part of the IPO Proceeds | | | | 3,500.00 |

Assumptions for working capital requirement.

Assumptions for Holding Levels

(In days)

| Particulars | Holding level as on March 31, 2021 (Actual) | Holding level as on March 31, 2022 (Actual) | Holding level as on March 31, 2023 (Actual) | Holding level as on March 31, 2024 (Estimated) |
|-----------------------|---|---|---|--|
| Current Assets | | | | |
| Inventories | NA | NA | NA | NA |
| Trade Receivables | NA | NA | NA | NA |

| | | | | |
|----------------------------|----|----|----|----|
| Current Liabilities | | | | |
| Trade Payables | NA | NA | NA | NA |

Justification for Holding Period Levels

| Particulars | Detail |
|--------------------------|---|
| Inventories | Our inventories consist of Equity shares. They are mostly held throughout the year and do not have any holding period as such. |
| Trade Receivables | Our Company does not have any trade receivables. |
| Trade Payables | Trade Payables includes outstanding payments towards dues of staff and other vendors for monthly expenses & provision for auditor's remuneration which are generally payable from 30 to 120 days. |

2) General Corporate Purposes

The Net Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance Net Fresh Issue Proceeds of ₹653.25 Lakhs is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI (ICDR) Regulations, 2018. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

- (i) Strategic initiatives
- (ii) Brand building and strengthening of marketing activities; and
- (iii) On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

Proposed Year wise Deployment of Funds / Schedule of Implementation

The entire Net Fresh Issue Proceeds are proposed to be deployed in the Financial Year 2023-24.

Public Issue Expense

The estimated Issue related expenses include fees to various advisors, advertisement expenses, printing and distribution expenses, Registrar fees and Depository Expenses. The total expenses for this Issue are estimated to be approximately ₹ 30.00 Lakhs. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

| Particulars | Expenses (₹ In Lakh) | % of Total Offer Expenses | % of Total Offer size |
|--|-------------------------|---------------------------|-----------------------|
| Fees to Banker to the Issue, Registrar to the Issue, Legal Advisor, Auditor's Fees including out of pockets expenses, etc. | 3.50 | 11.67% | 0.00% |

| | | | |
|--|--------------|----------------|--------------|
| Fees related to advertising, printing, distribution, marketing & stationery expenses | 2.25 | 7.50% | 0.00% |
| Regulatory Fees, filing fees, listing fees and other miscellaneous expenses. | 24.25 | 80.83% | 0.00% |
| Total*# | 30.00 | 100.00% | 0.00% |

**Amount will be finalised at the time of filing of Letter of Offer and determination of Issue Price and other details. Subject to finalization of Basis of Allotment- In case of any difference between the Estimated Issue Related Expenses and Actual Expenses incurred, the shortfall or excess shall be adjusted with amount allocated towards General Corporate Purposes.*

#Amount are Excluding taxes.

Appraisal by Appraising Fund

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and /or unsecured Loans.

Bridge Financing Facilities

As on the date of this Red Herring Prospectus, we have not raised any bridge loans, which are proposed to be repaid from the Net Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement/ cash credit facility with our lenders, to finance additional working capital needs until the completion of the Issue.

Monitoring Utilization of Funds

As the size of the Fresh Issue does not exceed ₹10,000 Lakhs, in terms of Regulation 262 of the SEBI (ICDR) Regulations, 2018, our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds.

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

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

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed Company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Other Confirmations

There are no material existing or anticipated transactions with our Promoters, our Directors, our Company's Key Managerial Personnel in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or Key Managerial Personnel except in the normal course of business and in compliance with the applicable laws.

STATEMENT OF SPECIAL TAX BENEFITS

To,
The Board of Directors
INDIAN INFOTECH & SOFTWARE LIMITED
OFFICE NO. 110, 1st Floor, Golden
Chamber Pre Co-Op Soc. Ltd. New
Link Road Andheri West Mumbai-400053
Maharashtra India.

Dear Sir,

SUB: STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS (“THE STATEMENT”) AVAILABLE TO INDIAN INFOTECH & SOFTWARE LIMITED (“THE COMPANY”)

The information provided below sets out the Possible Special Direct Tax & Indirect Tax benefits available to the Company, and its Shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of Equity Shares, under the current tax laws presently in force in India. Several of these benefits are dependent on the Company and its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company, and the Shareholders of the Company to derive the direct and indirect tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company, and the Shareholders of the Company may or may not choose to fulfil. Further, certain tax benefits may be optional, and it would be at the discretion of the Company or the Shareholders of the Company to exercise the option by fulfilling the conditions prescribed under the Tax Laws.

The following overview is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own Tax Consultant with respect to the tax implications of an investment in the shares 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.

The tax benefits stated below are as per the Income Tax Act, 1961 (“IT Act”) as amended from time to time and applicable for financial year 2023-24 relevant to assessment year 2024-25 (AY 2024-25) and Indirect Tax Laws as amended from time to time and applicable for financial year 2023-24-

I. Under the IT Act

1. Special Tax Benefits available to the Company under the Act

- Lower Corporate Tax rate under Section 115BAA

A new Section 115BAA has been inserted by the Taxation Laws (Amendment) Act, 2019 (“the Amendment Act, 2019”) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.17% (22% plus surcharge of 10% and cess of 4%) from the Financial Year 2019-20, provided such companies do not avail specified exemptions/incentives (e.g. deduction under Section 10AA, 32(1) (ia), 33ABA, 35(2AB), 80-IA etc.)

The Amendment Act, 2019 also provides that domestic companies availing such option will not be required to pay Minimum Alternate Tax (“MAT”) under Section 115JB. The CBDT has further issued Circular 29/2019 dated October 02, 2019 clarifying that since the MAT provisions under Section 115JB itself would not apply where a domestic company exercises option of lower tax rate under Section 115BAA, MAT credit would not be available. Corresponding amendment has been inserted under Section 115JAA dealing with MAT credit.

The Company has exercised the above option.

2. Special Tax Benefits available to Shareholders

There are no Special Tax Benefits available to the Shareholders (other than Resident Corporate Shareholder) of the Company.

With respect to a Resident Corporate Shareholder, a new section 80M is inserted in the Finance Act, 2020, to remove the cascading effect of taxes on inter-corporate dividends during financial year 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other Domestic Company or a Foreign Company or a Business Trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total

income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other Domestic Company or Foreign Company or Business Trust as does not exceed the amount of dividend distributed by it on or before the due date. The “due date” means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139.

NOTES:

The above statement of Possible Special Tax Benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

The above statement covers only certain Special Tax Benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

The above statement of Possible Special Tax Benefits is as per the current Direct Tax Laws relevant for the assessment year 2024-25. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

As the Company has opted for concessional corporate income tax rate as prescribed under section 115BAA of the Act, it will not be allowed to claim any of the following deductions:

- Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)
- Deduction under clause (iia) of sub-section (1) of section 32 (Additional Depreciation)
- Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, Site restoration fund)
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section or subsection (2AA) or sub-section (2AB) of section 35 (Expenditure on scientific research)
- Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)
- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or section 80M;
- No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above
- No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred above
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his or her tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

II. Under the Indirect Tax Laws

3. Special Indirect Tax Benefits available to the Company

The Company is not entitled to any special tax benefits under indirect tax laws

4. Special Tax Benefits available to Shareholders

The Shareholders of the Company are not entitled to any Special Tax Benefits under indirect tax laws

NOTES:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the F.Y.2023-24 relevant to A.Y. 2024-25.

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

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAXIMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document.

This Certificate is issued on Special request of **M/s Indian Infotech and Software Limited** for the purpose of complying with the aforesaid Regulations. This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose

We have no responsibility to update this certificate for the events & circumstances occurring after the date of this certificate.

For ADV & Associates

Chartered Accountants

FRN: 128045W

Sd-

Prakash Mandhaniya,

Partner

Membership No. 421679

Date: 21.08.2023

Place: Mumbai

UDIN: 23421679BGYARF1743

OUR INDUSTRY

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

GLOBAL ECONOMY AT LARGE

A Rocky Recovery

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia’s invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored. Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks’ generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises. The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors reevaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist (see also Chapter 1 of the April 2023 Global Financial Stability Report). Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2, panels 1 and 2). Russia’s invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperiled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions. Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter. With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks’ tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high debt levels, commodity price spikes and geoeconomic fragmentation with Russia’s war in Ukraine, and China’s economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing—particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Challenging Outlook

A return of the world economy to the pace of economic growth that prevailed before the bevy of shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia’s invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering the recovery. As a result, many economies are likely to experience slower growth in incomes in 2023, amid rising joblessness. Moreover, even with central banks having driven up interest rates to reduce inflation, the road back to price stability could be long. Over the medium term, the prospects for growth now seem dimmer than in decades. This section first describes the baseline projections for the global economy and the assumptions on which they are predicated. The baseline scenario assumes that the recent financial sector turmoil is contained and does not generate material disruptions to global economic activity with widespread recession.

Fuel and nonfuel commodity prices are generally expected to decline in 2023, amid slowing global demand. Crude oil prices are projected to fall by about 24 percent in 2023 and a further 5.8 percent in 2024, while nonfuel commodity prices are expected to remain broadly unchanged. The forecasts are also based on the assumption that global interest rates will stay elevated for longer than expected at the time the October

2022 WEO was published, as central banks remain focused on returning inflation to targets while deploying tools to maintain financial stability as needed. Governments are on average expected to gradually withdraw fiscal policy support, including, as commodity prices decline, by scaling back packages designed to shield households and firms from the effects of the fuel and energy price spikes in 2022.

At the same time, in consideration of the elevated risks and uncertainties stemming from the recent global financial market turmoil, this section also places strong emphasis on a plausible alternative scenario that illustrates the impact of downside risks materializing.

(Source : <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>)

INDIAN INDUSTRY OVERVIEW

INTRODUCTION

Strong economic growth in the first quarter of FY 2022-23 helped India overcome the UK to become the fifth-largest economy after it recovered from repeated waves of COVID-19 pandemic shock. Real GDP in the first quarter of 2022–23 is currently about 4% higher than its corresponding 2019-20, indicating a strong start for India's recovery from the pandemic. Given the release of pent-up demand and the widespread vaccination coverage, the contact-intensive services sector will probably be the main driver of development in 2022–2023. Rising employment and substantially increasing private consumption, supported by rising consumer sentiment, will support GDP growth in the coming months. Future capital spending of the government in the economy is expected to be supported by factors such as tax buoyancy, the streamlined tax system with low rates, a thorough assessment and rationalisation of the tariff structure, and the digitization of tax filing. In the medium run, increased capital spending on infrastructure and asset-building projects is set to increase growth multipliers, and with the revival in monsoon and the Kharif sowing, agriculture is also picking up momentum. The contact-based services sector has largely demonstrated promise to boost growth by unleashing the pent-up demand over the period of April-September 2022. The sector's success is being captured by a number of HFIs (High-Frequency Indicators) that are performing well, indicating the beginnings of a comeback. India has emerged as the fastest-growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

MARKET SIZE

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY22. With more than 100 unicorns valued at US\$ 332.7 billion, India has the third-largest unicorn base in the world. The government is also focusing on renewable sources to generate energy and is planning to achieve 40% of its energy from non-fossil sources by 2030. According to the McKinsey Global Institute, India needs to boost its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030 in order to increase productivity and economic growth. The net employment rate needs to grow by 1.5% per annum from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030. India's current account deficit (CAD), primarily driven by an increase in the trade deficit, stood at 2.1% of GDP in the first quarter of FY 2022-23. Exports fared remarkably well during the pandemic and aided recovery when all other growth engines were losing steam in terms of their contribution to GDP. Going forward, the contribution of merchandise exports may waver as several of India's trade partners witness an economic slowdown. According to Mr. Piyush Goyal, Minister of Commerce and Industry, Consumer Affairs, Food and Public Distribution and Textiles, Indian exports are expected to reach US\$ 1 trillion by 2030.

RECENT DEVELOPMENTS

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

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

- In August 2022, the overall IIP (Index of Industrial Production) stood at 131.3. The Indices of Industrial Production for the mining, manufacturing and electricity sectors stood at 99.6, 131.0 and 191.3, respectively, in August 2022.
- According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation reached 7.41% in September 2022.
- In FY 2022-23, (until October 28, 2022), Foreign Portfolio Investment (FPI) outflows stood at Rs. 58,762 crore (US\$ 7.13 billion).
- The wheat procurement in Rabi 2021-22 and the anticipated paddy purchase in Kharif 2021-22 would include 1208 lakh (120.8 million) metric tonnes of wheat and paddy from 163 lakh (16.7 million) farmers, as well as a direct payment of MSP value of Rs. 2.37 lakh crore (US\$ 31.74 billion) to their accounts.

GOVERNMENT INITIATIVES

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

- Home & Cooperation Minister Mr. Amit Shah, laid the foundation stone and performed Bhoomi Pujan of Shri Tanot Mandir Complex Project under Border Tourism Development Programme in Jaisalmer in September 2022.
- In August 2022, Mr. Narendra Singh Tomar, Minister of Agriculture and Farmers Welfare inaugurated four new facilities at the Central Arid Zone Research Institute (CAZRI), which has been rendering excellent services for more than 60 years under the Indian Council of Agricultural Research (ICAR).
- In August 2022, a Special Food Processing Fund of Rs. 2,000 crore (US\$ 242.72 million) was set up with National Bank for Agriculture and Rural Development (NABARD) to provide affordable credit for investments in setting up Mega Food Parks (MFP) as well as processing units in the MFPs.
- In July 2022, Deendayal Port Authority (DPA) announced plans to develop two Mega Cargo Handling Terminals on a Build-Operate-Transfer (BOT) basis under Public-Private Partnership (PPP) Mode at an estimated cost of Rs. 5,963 crore (US\$ 747.64 million).
- In July 2022, the Union Cabinet chaired by the Prime Minister Mr. Narendra Modi, approved the signing of the Memorandum of Understanding (MoU) between India & Maldives. This MoU will provide a platform to tap the benefits of information technology for court digitization and can be a potential growth area for the IT companies and start-ups in both the countries.
- India and Namibia entered into a Memorandum of Understanding (MoU) on wildlife conservation and sustainable biodiversity utilization on July 20, 2022, for establishing the cheetah into the historical range in India.
- In July 2022, the Reserve Bank of India (RBI) approved international trade settlements in Indian rupees (INR) in order to promote the growth of global trade with emphasis on exports from India and to support the increasing interest of the global trading community.
- In June 2022, Prime Minister Mr. Narendra Modi inaugurated and laid the foundation stone of development projects worth Rs. 21,000 crore (US\$ 2.63 billion) at Gujarat Gaurav Abhiyan at Vadodara.
- Mr. Rajnath Singh, Minister of Defence, launched 75 newly-developed Artificial Intelligence (AI) products/technologies during the first-ever 'AI in Defence' (AIDef) symposium and exhibition organized by the Ministry of Defence in New Delhi on 11 July 2022.
- In June 2022:
- Prime Minister Mr. Narendra Modi, laid the foundation stone of 1,406 projects worth more than Rs. 80,000 crore (US\$ 10.01 billion) at the groundbreaking ceremony of the UP Investors Summit in Lucknow.
- The Projects encompass diverse sectors like Agriculture and Allied industries, IT and Electronics, MSME, Manufacturing, Renewable Energy, Pharma, Tourism, Defence & Aerospace, Handloom & Textiles.
- The Indian Institute of Spices Research (IISR) under the Indian Council for Agricultural Research (ICAR) inked a Memorandum of

Understanding (MoU) with Lysterra LLC, a Russia-based company for the commercialization of biocapsule, an encapsulation technology for bio-fertilization on 30 June, 2022.

- As of April 2022, India signed 13 Free Trade Agreements (FTAs) with its trading partners including major trade agreements like the India-UAE Comprehensive Partnership Agreement (CEPA) and the India-Australia Economic Cooperation and Trade Agreement (IndAus ECTA).
- The Union Budget of 2022-23 was presented on February 1, 2022, by the Minister for Finance & Corporate Affairs, Ms. Nirmala Sitharaman. The budget had four priorities PM GatiShakti, Inclusive Development, Productivity Enhancement and Investment, and Financing of Investments. In the Union Budget 2022-23, effective capital expenditure is expected to increase by 27% at Rs. 10.68 lakh crore (US\$ 142.93 billion) to boost the economy. This will be 4.1% of the total Gross Domestic Production (GDP).
- Under PM GatiShakti Master Plan, the National Highway Network will develop 25,000 km of new highways network, which will be worth Rs. 20,000 crore (US\$ 2.67 billion). In 2022-23. Increased government expenditure is expected to attract private investments, with a production-linked incentive scheme providing excellent opportunities. Consistently proactive, graded, and measured policy support is anticipated to boost the Indian economy.
- In February 2022, Minister for Finance and Corporate Affairs Ms. Nirmala Sitharaman said that productivity linked incentive (PLI) schemes would be extended to 14 sectors to achieve the mission of AtmaNirbhar Bharat and create 60 lakh jobs with an additional production capacity of Rs. 30 lakh crore (US\$ 401.49 billion) in the next five years.
- In the Union Budget of 2022-23, the government announced funding for the production linked incentive (PLI) scheme for domestic solar cells and module manufacturing of Rs. 24,000 crore (US\$ 3.21 billion).
- In the Union Budget of 2022-23, the government announced a production linked incentive (PLI) scheme for Bulk Drugs which was an investment of Rs. 2500 crore (US\$ 334.60 million).
- In the Union Budget of 2022, Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman announced that a scheme for design-led manufacturing in 5G would be launched as part of the PLI scheme.
- In September 2021, Union Cabinet approved major reforms in the telecom sector, which are expected to boost employment, growth, competition, and consumer interests. Key reforms include rationalization of adjusted gross revenue, rationalization of bank guarantees (BGs), and encouragement of spectrum sharing.
- In the Union Budget of 2022-23, the government has allocated Rs. 44,720 crore (US\$ 5.98 billion) to Bharat Sanchar Nigam Limited (BSNL) for capital investments in the 4G spectrum.
- Minister for Finance & Corporate Affairs Ms. Nirmala Sitharaman allocated Rs. 650 crore (US\$ 86.69 million) for the Deep Ocean mission that seeks to explore vast marine living and non-living resources. Department of Space (DoS) has got Rs. 13,700 crore (US\$ 1.83 billion) in 2022-23 for several key space missions like Gaganyaan, Chandrayaan-3, and Aditya L-1 (sun).
- In May 2021, the government approved the production linked incentive (PLI) scheme for manufacturing advanced chemistry cell (ACC) batteries at an estimated outlay of Rs. 18,100 crore (US\$ 2.44 billion); this move is expected to attract domestic and foreign investments worth Rs. 45,000 crore (US\$ 6.07 billion).
- Minister for Finance & Corporate Affairs Ms Nirmala Sitharaman announced in the Union Budget of 2022-23 that the Reserve Bank of India (RBI) would issue Digital Rupee using blockchain and other technologies.
- In the Union Budget of 2022-23, Railway got an investment of Rs. 2.38 lakh crore (US\$ 31.88 billion) and over 400 new high-speed trains were announced. The concept of "One Station, One Product" was also introduced.
- To boost competitiveness, Budget 2022-23 has announced reforming the 16-year-old Special Economic Zone (SEZ) act.
- In June 2021, the RBI (Reserve Bank of India) announced that the investment limit for FPI (foreign portfolio investors) in the State Development Loans (SDLs) and government securities (G-secs) would persist unaffected at 2% and 6%, respectively, in FY22.
- In November 2020, the Government of India announced Rs. 2.65 lakh crore (US\$ 36 billion) stimulus package to generate job opportunities and provide liquidity support to various sectors such as tourism, aviation, construction, and housing. Also, India's cabinet approved the production-linked incentives (PLI) scheme to provide ~Rs. 2 trillion (US\$ 27 billion) over five years to create jobs and boost production in the country.

- Numerous foreign companies are setting up their facilities in India on account of various Government initiatives like Make in India and Digital India. Prime Minister of India Mr. Narendra Modi launched the Make in India initiative with an aim to boost the country's manufacturing sector and increase the purchasing power of an average Indian consumer, which would further drive demand and spur development, thus benefiting investors. The Government of India, under its Make in India initiative, is trying to boost the contribution made by the manufacturing sector with an aim to take it to 25% of the GDP from the current 17%. Besides, the government has also come up with the Digital India initiative, which focuses on three core components: the creation of digital infrastructure, delivering services digitally, and increasing digital literacy.
- On January 29, 2022, the National Asset Reconstruction Company Ltd (NARCL) will acquire bad loans worth up to Rs. 50,000 crore (US\$ 6.69 billion) about 15 accounts by March 31, 2022. India Debt Resolution Co. Ltd (IDRCL) will control the resolution process. This will clean up India's financial system and help fuel liquidity and boost the Indian economy.
- National Bank for Financing Infrastructure and Development (NaBFID) is a bank that will provide non-recourse infrastructure financing and is expected to support projects from the first quarter of FY2022-23; it is expected to raise Rs. 4 lakh crore (US\$ 53.58 billion) in the next three years.
- By November 1, 2021, India and the United Kingdom hope to begin negotiations on a free trade agreement. The proposed FTA between these two countries is likely to unlock business opportunities and generate jobs. Both sides have renewed their commitment to boost trade in a manner that benefits all.
- In August 2021, Prime Minister Mr. Narendra Modi announced an initiative to start a national mission to reach the US\$ 400 billion merchandise export target by FY22.
- In August 2021, Prime Minister Mr. Narendra Modi launched a digital payment solution, e-RUPI, a contactless and cashless instrument for digital payments.
- In April 2021, Dr. Ahmed Abdul Rahman AlBanna, Ambassador of the UAE to India and Founding Patron of IFIICC, stated that trilateral trade between India, the UAE and Israel is expected to reach US\$ 110 billion by 2030.
- India is expected to attract investment of around US\$ 100 billion in developing the oil and gas infrastructure during 2019-23.
- The Government of India is expected to increase public health spending to 2.5% of the GDP by 2025.

ROAD AHEAD

In the second quarter of FY 2022-23, the growth momentum of the first quarter was sustained, and high-frequency indicators (HFIs) performed well in July and August of 2022. India's comparatively strong position in the external sector reflects the country's generally positive outlook for economic growth and rising employment rates. India ranked fifth in foreign direct investment inflows among the developed and developing nations listed for the first quarter of 2022. India's economic story during the first half of the current financial year highlighted the unwavering support the government gave to its capital expenditure, which, in FY 2022–23 (until August 2022), stood 46.8% higher than the same period last year. The ratio of revenue expenditure to capital outlay decreased from 6.4 in the previous year to 4.5 in the current year,

signaling a clear change in favour of higher-quality spending. Stronger revenue generation as a result of improved tax compliance, increased profitability of the company, and increasing economic activity also contributed to rising capital spending levels. Despite the continued global slowdown, India's exports climbed at the second highest rate this quarter. With a reduction in port congestion, supply networks are being restored. The CPI-C and WPI inflation reduction from April 2022 already reflects the impact. In August 2022, CPI-C inflation was 7.0%, down from 7.8% in April 2022. Similarly, WPI inflation has decreased from 15.4% in April 2022 to 12.4% in August 2022. With a proactive set of administrative actions by the government, flexible monetary policy, and a softening of global commodity prices and supply-chain bottlenecks, inflationary pressures in India look to be on the decline overall.

(Source : https://www.ibef.org/download/economic_survey_2022-23.pdf)

INDIAN BANKING INDUSTRY

INTRODUCTION

As per the Reserve Bank of India (RBI), India's banking sector is sufficiently capitalised and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

The Indian banking industry has recently witnessed the rollout of innovative banking models like payments and small finance banks. In recent

years India has also focused on increasing its banking sector reach, through various schemes like the Pradhan Mantri Jan Dhan Yojana and Post payment banks. Schemes like these coupled with major banking sector reforms like digital payments, neo-banking, a rise of Indian NBFCs and fintech have significantly enhanced India's financial inclusion and helped fuel the credit cycle in the country.

Indian Fintech industry is estimated to be at US\$ 150 billion by 2025. India has the 3rd largest FinTech ecosystem globally. India is one of the fastest-growing Fintech markets in the world. There are currently more than 2,000 DPIIT-recognized Financial Technology (FinTech) businesses in India, and this number is rapidly increasing.

The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level five in the Faster Payments Innovation Index (FPII).^{*} India's Unified Payments Interface (UPI) has also revolutionized real-time payments and strived to increase its global reach in recent years.

MARKET SIZE

The Indian banking system consists of 12 public sector banks, 22 private sector banks, 46 foreign banks, 56 regional rural banks, 1485 urban cooperative banks and 96,000 rural cooperative banks in addition to cooperative credit institutions. As of March 2023, the total number of ATMs in India reached 14,74,548. Moreover, there are 1,21,894 on-site ATMs and Cash Recycling Machines (CRMs) and 96,243 off-site ATMs and CRMs. Bank assets across sectors increased significantly since 2020. In 2022-23, total assets in the public and private banking sectors were US\$ 1,553.57 billion and US\$ 901.3 billion, respectively. In 2022-23, assets of public sector banks accounted for 59.24% of the total banking assets (including public, private sector and foreign banks). According to RBI's Scheduled Banks' Statement, deposits of all scheduled banks collectively surged by a whopping Rs.1.98 lakh crore (US\$ 24.32 billion) as on May 5, 2023, at a growth rate of 10.2%. According to the BCG Banking Sector Roundup Report of 9M FY23, credit growth is expected to hit 18.1% in 2022-23 which will be a double-digit growth in eight years. As of November 4, 2022 bank credit stood at Rs. 129.26 lakh crore (US\$ 1,585.09 billion). Non-food bank credit registered a growth of 17.6% in November 2022 as compared with 7.1% a year ago on the back of robust credit demand from the segments such as services, industry, personal, and agriculture and allied activities, according to RBI's statement on Sectoral Deployment of Bank Credit.

INVESTMENTS/DEVELOPMENTS

Key investments and developments in India's banking industry include:

- M&A activity with an India angle hit a record US\$ 171 billion in 2022.
- In April 2022, IDFC to sell Mutual Fund Business to Bandhan-Financial Holdings led Consortium for US\$ 550.23 million (Rs. 4,500 crore).
- In March 2022, aggressive Axis Bank acquired Citi's India consumer business for US\$ 1.6 billion.
- In December 2022, HDFC Bank to buy 7.75% stake in fintech start-up Mintoak.
- As per report by Refinitiv, Domestic M&A activity saw record levels of activity in 2022 at US\$ 119.2 billion, up 156.3% from 2021. Companies like HDFC Bank, HDFC, Ambuja Cements, ACC, Adani Group Biocon, Mindtree, L&T Infotech, AM/NS, Essar Ports were involved in M&A deals in 2022
- On June, 2022, the number of bank accounts—opened under the government's flagship financial inclusion drive 'Pradhan Mantri Jan Dhan Yojana (PMJDY)'—reached 45.60 crore and deposits in the Jan Dhan bank accounts totaled Rs. 1.68 trillion (US\$ 21.56 billion).
- In April 2022, India's largest private bank HDFC Bank announced a transformational merger with HDFC Limited.
- On November 09, 2021, RBI announced the launch of its first global hackathon 'HARBINGER 2021 – Innovation for Transformation' with the theme 'Smarter Digital Payments'.
- In November 2021, Kotak Mahindra Bank announced that it has completed the acquisition of a 9.98% stake in KFin Technologies for Rs. 310 crore (US\$ 41.62 million).
- In October 2021, Indian Bank announced that it has acquired a 13.27% stake in the proposed National Asset Reconstruction Company Ltd. (NARCL).
- In July 2021, Google Pay for Business has enabled small merchants to access credit through tie-up with the digital lending platform for MSMEs—FlexiLoans.

- In February 2021, Axis Bank acquired a 9.9% share in the Max Bupa Health Insurance Company for Rs. 90.8 crore (US\$ 12.32 million).
- In December 2020, in response to the RBI's cautionary message, the Digital Lenders' Association issued a revised code of conduct for digital lending.
- On November 6, 2020, WhatsApp started UPI payments service in India on receiving the National Payments Corporation of India (NPCI) approval to 'Go Live' on UPI in a graded manner.
- In October 2020, HDFC Bank and Apollo Hospitals partnered to launch the 'HealthyLife Programme', a holistic healthcare solution that makes healthy living accessible and affordable on Apollo's digital platform.
- In 2019, banking and financial services witnessed 32 M&A (merger and acquisition) activities worth US\$ 1.72 billion.
- In April 2020, Axis Bank acquired additional 29% stake in Max Life Insurance.
- In March 2020, State Bank of India (SBI), India's largest lender, raised US\$ 100 million in green bonds through private placement.
- In February 2020, the Cabinet Committee on Economic Affairs gave its approval for continuation of the process of recapitalization of Regional Rural Banks (RRBs) by providing minimum regulatory capital to RRBs for another year beyond 2019-20 - till 2020-21 to those RRBs which are unable to maintain minimum Capital to Risk Weighted Assets Ratio (CRAR) of 9% as per the regulatory norms prescribed by RBI.

GOVERNMENT INITIATIVES

- In October 2022, Prime Minister Mr. Narendra Modi inaugurated 75 Digital Banking Units (DBUs) across 75 districts in India.
- In Union Budget 2023, a national financial information registry would be constructed to serve as the central repository for financial and ancillary data.
- In Union Budget 2023, the KYC process will be streamlined by using a 'risk-based' strategy rather than a 'one size fits all' approach.
- Number of Jan Dhan Yojana Bank accounts are over 486 million. Jan Dhan Deposits grew by 20% YoY. There are deposits of over ~US\$ 24.2 billion in beneficiary accounts.
- National Asset reconstruction company (NARCL) will take over, 15 non-performing loans (NPLs) worth Rs. 50,000 crore (US\$ 6.70 billion) from the banks.
- National payments corporation India (NPCI) has plans to launch UPI lite which will provide offline UPI services for digital payments. Payments of up to Rs. 200 (US\$ 2.67) can be made using this.
- In the Union budget of 2022-23 India has announced plans for a central bank digital currency (CBDC) which will be possibly known as Digital Rupee.
- National Asset reconstruction company (NARCL) will take over, 15 Non-performing loans (NPLs) worth Rs. 50,000 crore (US\$ 6.70 billion) from the banks.
- In November 2021, RBI launched the 'RBI Retail Direct Scheme' for retail investors to increase retail participation in government securities.
- The RBI introduced new auto debit rules with a mandatory additional factor of authentication (AFA), effective from October 01, 2021, to improve the safety and security of card transactions, as part of its risk mitigation measures.
- In September 2021, Central Banks of India and Singapore announced to link their digital payment systems by July 2022 to initiate instant and low-cost fund transfers.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.
- As per Union Budget 2021-22, the government will disinvest IDBI Bank and privatise two public sector banks.

- Government smoothly carried out consolidation, reducing the number of Public Sector Banks by eight.
- In May 2022, Unified Payments Interface (UPI) recorded 5.95 billion transactions worth Rs. 10.41 trillion (US\$ 133.46 billion).
- According to the RBI, India's foreign exchange reserves reached US\$ 630.19 billion as of February 18, 2022.
- The number of transactions through immediate payment service (IMPS) reached 430.67 million and amounted to Rs. 3.70 trillion (US\$ 49.75 billion) in October 2021.
- The RBI has launched a pilot to digitalize KCC lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
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- As per the Union Budget 2023-24, the RBI has launched a pilot to digitalize Kisan Credit Card (KCC) lending in a bid for efficiency, higher cost savings, and reduction of TAT. This is expected to transform the flow of credit in the rural economy.
- As per the Union Budget 2023-24, digital banking, digital payments and fintech innovations have grown at a rapid pace in the country. Taking forward this agenda, and to mark 75 years of our independence, it is proposed to set up 75 Digital Banking Units in 75 districts of the country by Scheduled Commercial Banks.
- Additionally, the government proposed to introduce a digital rupee or a Central Bank Digital Currency (CBDC) which would be issued by the RBI using block chain and other technologies.
- The government also proposed to bring all the 150,000 post offices under the digital banking core business to enable financial inclusion.
- As per the economic survey 2022-23, the permission by RBI to lending institutions to grant a total moratorium of 6 (3+3) months in case of payment failure due between 1st March 2020 to 31st August 2020, infusion of US\$ 9.1 billion (Rs. 75,000 crore) for Non-Banking Financial Corporations (NBFCs), Housing Finance Companies (HFCs) and Micro Finance Institutions (MFIs), among others, have also contributed to the revival of the real estate sector. The permission by RBI to lending institutions to grant a total moratorium of 6 (3+3) months in case of payment failure due between 1st March 2020 to 31st August 2020, infusion of US\$ 9.1 billion (Rs. 75,000 crore) for Non-Banking Financial Corporations (NBFCs), Housing Finance Companies (HFCs) and Micro Finance Institutions (MFIs), among others, have also contributed to the revival of the real estate sector.
- According to the Economic Survey 2022-23, Over the last few years, the number of neo banking platforms and global investments in the neo-banking segment has also risen consistently. Neo-banks operate under mainstream finance's umbrella but empower specific services long associated with traditional institutions such as banks, payment providers, etc.

ROAD AHEAD

- Enhanced spending on infrastructure, speedy implementation of projects and continuation of reforms are expected to provide further impetus to growth in the banking sector. All these factors suggest that India's banking sector is poised for robust growth as rapidly growing businesses will turn to banks for their credit needs. The advancement in technology has brought mobile and internet banking services to the fore. The banking sector is laying greater emphasis on providing improved services to their clients and upgrading their technology infrastructure to enhance customer's overall experience as well as give banks a competitive edge.
- In recent years India has experienced a rise in fintech and microfinancing. India's digital lending stood at US\$ 75 billion in FY18 and is estimated to reach US\$ 1 trillion by FY23 driven by the five-fold increase in digital disbursements. The Indian fintech market has attracted US\$ 29 billion in funding over 2,084 deals so far (January 2017-July 2022), accounting for 14% of global funding and ranking second in terms of deal volume. By 2025, India's fintech market is expected to reach Rs. 6.2 trillion (US\$ 83.48 billion).

INDIAN FINANCIAL SERVICES INDUSTRY

INTRODUCTION

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

banks to be created recently, thereby adding to the type of entities operating in the sector. However, the financial sector in India is predominantly a banking sector with commercial banks accounting for more than 64% of the total assets held by the financial system.

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

MARKET SIZE

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

Another crucial component of India's financial industry is the insurance industry. The insurance industry has been expanding at a fast pace. The total first-year premium of life insurance companies reached US\$ 32.04 billion in FY23. In FY23 (until December 2022) non-life insurance sector premiums reached at Rs. 1.87 lakh crore (US\$ 22.5 billion). Furthermore, India's leading bourse, Bombay Stock Exchange (BSE), will set up a joint venture with Ebix Inc to build a robust insurance distribution network in the country through a new distribution exchange platform. In FY23, US\$ 7.17 billion was raised across 40 initial public offerings (IPOs). The number of companies listed on the NSE increased from 135 in 1995 to 2,113 by FY23 (till December 2022).

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

INVESTMENTS/DEVELOPMENTS

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

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

GOVERNMENT INITIATIVES

Some of the major Government Initiatives are

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

- On September 30, 2021, the Reserve Bank of India communicated that the applicable average base rate to be charged by non-banking financial company - micro finance institutions (NBFC-MFIs) to their borrowers for the quarter beginning October 1, 2021, will be 7.95%.
- On September 30, 2021, the IFSC Authority constituted an expert committee to recommend approach towards development of sustainable finance hub and provide road map for the same.
- In August 2021, Prime Minister Mr. Narendra Modi launched e-RUPI, a person and purpose-specific digital payment

solution. e-RUPI is a QR code or SMS string-based e-voucher that is sent to the beneficiary's cell phone. Users of this one-time payment mechanism will be able to redeem the voucher at the service provider without the usage of a card, digital payments app, or internet banking access.

ROAD AHEAD

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

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

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

India's Fintech space is expected to further fuel this growth in various segments. India's mobile wallet industry is estimated to grow at a Compound Annual Growth Rate (CAGR) of 150% to reach US\$ 4.4 billion by 2022, while mobile wallet transactions will touch Rs. 32 trillion (USD\$ 492.6 billion) during the same period. According to Goldman Sachs, investors have been pouring money into India's stock market, which is likely to reach >US\$ 5 trillion, surpassing the UK, and become the fifth-largest stock market worldwide by 2024.

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

OUR BUSINESS

We are a non-banking finance company (“NBFC”) incorporated in the year 1982 registered with the Reserve Bank of India bearing registration number B-13.0022 to carry on NBFC business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are a Non-systemically important non-deposit taking company with over two decades of lending experience in rural and semi-urban geographies in India. We are primarily engaged in micro centric lending solutions to look after the needs and aspirations of customers. Our portfolio includes Vehicle Finance and Business Finance Products to small business owners. We have a long history of serving all types of markets with high growth potential and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and low cost expansion into underpenetrated areas. Therefore, we strategically focus on clients in the rural and semiurban sector.

Our Key Borrowers

1. Individuals
2. Small business owners which includes all corporate entity

Business Finance to small business owners including SME and MSME Our lending business to small business owners including SME and MSME lending business, primarily involves us extending secured loans and unsecured loans for business purposes to small and medium size enterprises, including Companies, LLP, and businessmen, traders, manufacturers and self-employed professionals. The property securing these loans are typically completed and largely self-occupied residential and commercial property. We believe that our in-depth product knowledge, relevant financial services domain knowledge, ability to structure loans to suit our customers’ financial needs and our short turn-around-time for processing loan applications have positioned us as a preferred credit provider and allows us to benefit from the growing SME and MSME segment in India.

We carry out our operations in the format of “hub & spoke” business model. We conduct our retail operations through our registered office located at Mumbai. In small business finance and vehicle finance businesses, our branches digital presence/ act as the primary point of sale and assist with the origination of loans, various collection processes and enhancing customer service, while our central support office provides support functions, such as loan processing and credit monitoring. We maintain clear segregation between our sourcing and credit approval teams so as to ensure independence and effectively manage operational risks. Our enterprise-wide loan management system integrates all activities and functions within our organization under a single technology and data platform, bringing efficiencies to our back-end processes and enabling us to focus our resources on delivering quality services to our customers. We maintain long-term relationships with our lenders and our lenders included, amongst others. Our distribution network included personnel in our in-house sales team. We have and expect to continue to benefit from professional expertise of our Promoters.

Our Company is promoted by Mahamaya Financial Consultants Private Limited, Jayanti Prime Software Advisory Private limited, Generosity Share Trading Private Limited, Dhanvarsha Advisory Services Private Limited.

As a Non-Banking Financial Company, we are involved in providing financial services with focus in corporate and non-corporate sector and retail customers.

OUR BUSINESS OPERATIONS

Our Company started its commercial operations in 1982. Since then, the company started expanding and changed its line of business several times as elaborated in above paras. The below table captures the financial information of the Company.

| Particulars | For the period ended on September 30, 2023 | For the year ended March 2023 | For the year ended March 2022 |
|---|---|----------------------------------|----------------------------------|
| Equity Share Capital | 10,055.89 | 10,055.89 | 10,055.89 |
| Net Worth | 23,702.50 | 22,981.33 | 22,923.84 |
| Total Income | 1,095.28 | 4,706.13 | 5,539.23 |
| Profit / (loss) after tax | 721.17 | 60.59 | 31.72 |
| Basic EPS | 0.07 | 0.00 | 0.00 |
| Diluted EPS | 0.07 | 0.00 | 0.00 |
| Net asset value per Equity Share | 2.36 | 2.29 | 2.28 |
| Total borrowings | 30.00 | 30.00 | 30.00 |

(₹ in Lakh)

OUR FINANCIAL PRODUCTS

The various financial products that we offer are as follows:

1. Short term financing

Our Company provides short term loans for a tenure ranging between 1 month to 12 months.

2. Long term Loans

Our Company provides loans to corporate and non-corporate for a tenure ranging between 12 to 84 months.

3. Investment in shares and securities

Our Company invests in shares and securities of various companies from time to time.

COMPETITIVE STRENGTHS

Experienced Promote and Management Team

Company is managed by a team of competent personnel having knowledge of core aspects of our Business. Our promoters with his knowledge and experience as well as assisted by our Key Managerial Persons who have helped us to have long term relations with our customers. Further, they have also facilitated us to entrench with new customers. We believe that our experience, knowledge and human resources will enable us to drive the business in a successful and profitable manner. Our Company is managed by a team of industry specialists in markets. The team comprises of personnel having technical, operational, and business development experience in the industry. We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage.

Long term relationship with the clients

Long term client relationships provide the foundation for our business. Our dedicated focus on client coverage and our ability to provide timely solutions and faster resolution of customer complaints, if any, has helped us to establish long-term relationships with High net worth clients thereby leading to long term sustainable and scalable business operations. This key strength has helped us to receive repeat business from our clients and provide us with an advantage in attracting better brokerage fees and commissions.

Timely Service

We believe in providing quality and timely service to our clients. We have a set of standards for ourselves when it comes to timeliness and quality of service we provide to our clients. We believe that our timely service has earned us goodwill from our customers which has helped us to add new customers to our existing customer base. Our company focuses on maintaining the level of consistently in our service, thereby building customer loyalty.

Focus on a disciplined business philosophy with internal controls and risk management

Our Company is focused on providing short term and medium term loans. Our Company does not give industry specific loans but gives weightage to the borrowers' repayment capacity. Our Company believes that it has necessary internal controls and risk management systems to assess and monitor risks.

OUR BUSINESS STRATEGIES

Leveraging our market skills and relationship.

The business of our Company is customer oriented and always strives to maintain good relationship with the marketers. Leveraging our market skills and relationships is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our competency in business as well as marketing skills and our industry relationships. Our Company provides effective follow-ups with customers which ensure that the customers are satisfied with the service and do not have any complaint. We have steadily grown our business in recent years. We intend to continue to leverage our experience and relationships with our customers to expand and diversify.

Augment our fund based capacities for our activities

We are RBI registered NBFC with a focus on lending. Our business is characterised by high capital requirements to be able to provide loans to our customers. We generally source our capital for our business, by availing loans and credit facilities from banks in India. We intend to raise funds from the Fresh Issue Proceeds of this Offer and augment our fund based capital requirements. Funding our augmentation of capital

requirement from the proceeds of the Fresh Issue will also enable us to save a considerable interest cost due to lower borrowings.

Focus on customer services by efficient use of technology

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

Focus on Risk Management

The global financial crisis has highlighted the need to manage risks regarding financial instruments such as derivatives, currency futures etc. Our Company is dealing in financial services and hence risk management is of utmost importance. We intend to focus on deploying more resources in terms of technology, people and processes to manage our risk management function. We intend to monitor and control our risk exposure through financial, credit, operational, compliance and legal reporting systems based on mandatory regulatory requirements and as per our business needs. We plan to further strengthen our risk management procedures for evaluating and managing the market, credit and other risks to which we are exposed, as well as protecting our reputation in the market.

Attract and retain talented employee

Employees are essential for the success of every organization. As part of our business strategy, we are focused on attracting and retaining high quality talent as we continue to expand our service offering. We have recruited and retained talented employees from a variety of backgrounds. We expect to continue to attract talented employees through our retention initiatives. We intend to invest adequate time and resources for training our employees, which we believe would foster mutual trust, improve the quality of our services and place further emphasis on continued

Customer Satisfaction

The business of our Company is customer oriented and always strives to maintain good relationship with the corporate customers. Our Company's marketing team approaches existing corporate customers for their feedback and based on their feedback, any changes in the products, if required, are carried out. Our Company provides quality products and effective follow-ups with customers who ensure that the customers are satisfied with the product and do not have any complaint.

EXPORT AND EXPORT OBLIGATIONS

our Company does not have any export and export obligation.

CAPACITY AND CAPACITY UTILIZATION

Capacity and capacity utilization is not applicable to our Company, since, our business is not in the nature of a manufacturing concern with specified installed capacity.

HUMAN RESOURCE

Human resource is the key element for our Company's growth strategy and handling the day-to-day activities within the organization. We focus on attracting and retaining the best possible talent. Our team is a blend of experienced, professional with expertise in capital markets. Our Company does not have any Employee Unions.

As on September 30, 2023, we employed 15 personnel (full time employees) who look after the day-to-day business operations, administrative, secretarial, legal and accounting functions in accordance with their respective designated duties.

The Managing Director of the Company himself does the marketing work, he believes in bringing the customers to the company by himself, this is because he gives importance to the customer's preference and make sure that the customer associated with the company are satisfied by the services of the company. And all the employees who are employed in their respective departments also work with integrity to make sure the operation the company are fulfilled and the targets the company has set are achieved.

COMPETITION

In particular, we compete with other NBFC and Banks, both in India and abroad; and other. In recent years, large international banks have also entered these markets. Our client mix consists of both small and medium size businesses, which are based upon a local or regional

relationship with our presence in each market, and large national/multinational client relationships.

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. In addition, it is possible that certain large financial services groups may decide to begin offering services that we currently provide and new players might enter the market, thereby further intensifying the competition. Our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

TRADEMARK

Our company does not have any trademark.

INSURANCE DETAILS:

Our company has not taken any Insurance policy.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled ‘Government and Other Approvals’ beginning on page no 73 of this Letter of Offer.

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

In addition to what has been specified in this Letter of Offer, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, please refer to the section titled ‘Government and Other Approvals’ beginning on page 73 of this Letter of Offer.

Depending upon the nature of the activities undertaken by our Company the following are the various regulations are applicable to our company.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the section titled ‘Government and Other Approvals’ beginning on page 73 of this Letter of Offer.

KEY REGULATION APPLICABLE TO OUR COMPANY

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

The RBI Act defines an NBFC as:

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

A company categorized as an NBFC is required to have a net owned fund of 2,00,00,000 (Two Crores) or such other amount, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC. Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2020

The Code on Wages, 2020 (The “Code”) seeks to amend, consolidate and regulate the laws relating to wage and bonus payments in all employments and matters connected therewith or incidental thereto and aims at providing equal remuneration to employees performing work of a similar nature in every industry, trade, business or manufacture. The Code received the assent of the Lok Sabha on July 30, 2020, and of the Rajya Sabha on August 2, 2020. Subsequently, the Code received presidential assent on 8th August 2020, and was notified by the Ministry of Law and Justice, Government of India on the same date. The Code subsumes and repeals the provisions of four statutes -- the Payment of Wages Act, 1936 which ensures that payment of wages to employees are disbursed on time and no undue deductions are made, the Minimum Wages Act, 1948 which enables fixing of minimum rates of wages in certain employments, the Payment of Bonus Act, 1965 which provides for payment of bonus to persons employed in certain establishments on the basis of profit or productivity, and the Equal Remuneration Act, 1976 which aims to mandate equal remuneration to prevent gender discrimination in employment matters. Further, the Ministry of Labour

and Employment has also notified the Draft Code on Wages (Central) Rules, 2021 under the Code. The Code on Wages shall come into force on such date as may be prescribed by the Central Government by way of a notification of the Official Gazette. The Code in its entirety is yet to be notified; however, certain provisions pertaining to the composition and duties of the Central Advisory Board as encompassed in Section 42, Section 130 67 and Section 69 of the Code have been brought into force by the Ministry of Labour and Employment vide Notification dated December 18, 2021.

Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the 'EPF Act') and the Employees Provident Fund Scheme, 1952.

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

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

Employees Deposit Linked Insurance Scheme, 1976

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

The Employees' Pension Scheme, 1995

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

Employee's Compensation Act, 1923

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

Payment of Gratuity Act, 1972

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

Maternity Benefit Act, 1961

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

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our

industry is prohibited as per Part B (Processes) of the Schedule.

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

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

TAX RELATED LEGISLATIONS

Goods and Service Tax (hereinafter referred to as the ‘GST’)

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

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

INTELLECTUAL PROPERTY LEGISLATIONS

Indian Patents Act, 1970

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

The Copyright Act, 1957

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

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

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

ENVIRONMENTAL REGULATIONS

The Environment Protection Act, 1986

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

The Public Liability Insurance Act, 1991 ("Public Liability Act")

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

FOREIGN INVESTMENT LAWS

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

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

OTHER LAWS

Establishments laws in various states

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

Municipality Laws

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

Police Laws

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

The Indian Contract Act, 1872

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

Transfer of Property Act, 1882

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

Registration Act, 1908

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

GENERAL LAWS

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

HISTORY AND CORPORATE STRUCTURE

BRIEF CORPORATE HISTORY OF OUR COMPANY

Our Company was incorporated on May 22, 1982, as a public limited company, in the name and style 'Indian Leasers Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Bombay, Maharashtra, India. Subsequently, the name of our Company was changed to from 'Indian Leasers Limited' to 'Indian Infotech and Software Ltd' on July 20, 1998 and a Certificate of Incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra. Pursuant to the order of the Honorable Bombay High Court dated May 4, 2012 approving the Scheme of Arrangement, the Nikkietal Co. Limited and Lambodar Nirmat Limited was merged with Indian Infotech and Software Limited. Pursuant to completion of said merger, the Company has issued and allotted the equity shares to the shareholders of both the transferor companies, the securities of the company are listed on the BSE Ltd. (Stock Exchange) since April 19th, 1985. Our Company is a Non-Banking Financial Company (NBFC) having Certificate of Registration under Section 45IA of the Reserve Bank of India Act, 1934 vide COR no. B-13.00221 granted by Reserve Bank of India to carry on the business of non-banking financial institution without accepting public deposits.

We are a non-banking finance company ("NBFC") incorporated in the year 1982 registered with the Reserve Bank of India bearing registration number B-13.0022 to carry on NBFC business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are a Non-systemically important non-deposit taking company with over two decades of lending experience in rural and semi-urban geographies in India. We are primarily engaged in micro centric lending solutions to look after the needs and aspirations of customers. Our portfolio includes Vehicle Finance and Business Finance Products to small business owners. We have a long history of serving all types of markets with high growth potential and have maintained a track record of financial performance and operational efficiency through consistently high rates of customer acquisition and retention and low cost expansion into underpenetrated areas. Therefore, we strategically focus on clients in the rural and semiurban sector.

Our Company is promoted by Mahamaya Financial Consultants Private Limited, Jayanti Prime Software Advisory Private limited, Generosity Share Trading Private Limited, Dhanvarsha Advisory Services Private Limited.

CHANGES IN OUR REGISTERED OFFICE

The details of changes in the registered office of our Company in last three financial years are specified as under:

| Address | | Effective from | Reason for change |
|--|---|----------------|----------------------------|
| From | To | | |
| Chamber No. 3 & 4, 7th Floor, Skylilne Icon, Andheri Kurla Road, Chimatpada Marol, Andheri E, Mumbai - 4000059 | Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc. Ltd. New Link Road Andheri West Mumbai -400053 | 16/09/2021 | Administrative Convenience |

CHANGES IN MEMORANDUM OF ASSOCIATION

Following specified are the changes occurred in the Memorandum of Association of our Company:

| Sr. No | Particulars | Date of Meeting | Type of meeting |
|--------|---|--------------------------------|--------------------------------|
| 1. | The name of the Company has been changed from Indian Leasers Limited to Indian Infotech and Software Limited by passing special resolution at the Extra Ordinary General Meeting. | 2 nd July, 1998. | Extra-Ordinary General Meeting |
| 2. | Clauses 51, 52, 53 and 54 have been added pursuant to Special Resolution passed at the Extraordinary General Meeting of the Share Holders of the Company held on 30th April, 1998 and registered and certified by Registrar of Companies - Mumbai, on 5th June 1998 | 30 th April, 1998 | Extra-Ordinary General Meeting |
| 3. | Clause V of the MOA altered as Equity Shares of the Face Value Rs. 10/- each Subdivided into 10 Equity Shares of Face value Rs.1.00/- each vide Special Resolution in the Extra Ordinary General Meeting on 19th January.2012. | 19 th January, 2012 | Extra-Ordinary General Meeting |
| 4. | Clause V of the MOA altered vide Final Order of Bombay High Court on 04 May, 2012 on the Scheme of Amalgamation of M/s Lambodar Nirmat Ltd. And M/s Niki Metal Co. Ltd. with M/s Indian Infotech and Software Limited. | 4 th May, 2012 | Extra-Ordinary General Meeting |

| | | | |
|----|--|----------------------|------------------------|
| 5. | Alteration in the Main object of the company in the Annual General Meeting of the Company for F.Y. 2019. | 30th September, 2019 | Annual General Meeting |
| 6. | Adopt A New Set of Memorandum of Association (Moa) of The Company as Per the Companies Act, 2013: | 4th September, 2022 | Postal Ballot |

OUR MANAGEMENT

BOARD OF DIRECTORS

As on date of this Letter of Offer, our Company currently having 6 (Six) directors on its Board including 1 (One) Managing Director, and 4 (Independent Director including 1 Women Director) 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 and SEBI (LODR) Regulations, to the extent applicable.

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

| Name, Father's /husband Name, Designation, DIN, PAN, DOB, Address, Occupation, Nationality, and Term | Other Directorships/ Designated Partners |
|---|--|
| <p>Name: Mr. Manish Badola Designation: Managing Director; Address: A/201, Singhad CHS, Shivaji Nagar Nilemore, Nallasopara West, Nale Palghar, Mumbai – 401203 Occupation: Business Term: June 17, 2022 till June 16, 2027 Period of Directorship: Not Liable to retire by rotation Nationality: Indian Date of Birth: August 03, 1983 DIN: 05016172 Age: 39 years</p> | <ul style="list-style-type: none"> • M3 Consultant LLP • Nextgen Accounting Solutions and Technology LLP |
| <p>Name: Mr. Hemant Vadilal Mod Designation: Executive -Director Address: D-804 Ratnadeep towers, Nr. Arjun tower, b/h C.P Nagar Ghatlodia Ahmedabad city Ahmedabad, Gujarat-380061 Occupation: Business Term: September 30,2022 till date Period of Directorship: Liable to retire by Rotation Nationality: Indian Date of Birth: July 13, 1980 DIN: 09630204 Age: 43 years</p> | <ul style="list-style-type: none"> • NIL |
| <p>Name: Ms. Aksha Bihani Designation: Non-Executive - Independent Director Address: 17/1, Lal Madhab Mukherjee Lane, Kolkata-700007 Occupation: Business Term: March 19, 2019 till date Period of Directorship: Not Liable to retire by Rotation Nationality: Indian Date of Birth: April 11, 1990 DIN: 08102933 Age: 33 years</p> | <ul style="list-style-type: none"> • Swastik City Developers Limited • Sasmal Infra Developers Private Limited |
| <p>Name: Mr. Hari Singh Rao Designation: Non-Executive - Independent Director Address: 1506- Boulevard 01, Lal Bahadur Shastri Marg, Ghatkopar West, Opp. R-City Mall, Mumbai-400086 Occupation: Business Term: June 08,2022 till date Period of Directorship: Not Liable to retire by Rotation Nationality: Indian Date of Birth: July 1, 1978 DIN: 05132581 Age: 45 years</p> | <ul style="list-style-type: none"> • H.S.R. Jewels Private Limited |

| | |
|--|--|
| Name: Mr. Vinay Kumar Yadav | NIL |
| Designation: Non-Executive Independent Director Address: G-8 C Wing Building No B Cabin Cross road near Narmada Nagar, Bhayander east Thane, Maharashtra- 401105 Occupation: Business Term: June 08,2022 till date Period of Directorship: Not Liable to retire by Rotation Nationality: Indian Date of Birth: May ,02,1993 DIN: 09630182 Age: 30 years. | |
| Name: Mr. Sandeep Kumar Sahu Designation: Non-Executive Independent Director Address: Jablapur road behind petrol pump Lugharwada seoni Madhya Pradesh 480661. Occupation: Business Term: September 09, 2022 till date Period of Directorship: Not Liable to retire by Rotation Nationality: Indian Date of Birth: October 20, 1984 DIN: 06396817 Age: 38 years | <ul style="list-style-type: none"> • Prismx Global Ventures Limited • Tahmar Enterprises Limited • Panorama Studios International Limited • Panorama Studios Private Limited • Sanescort Lifecare Private Limited |

CONFIRMATIONS

- There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the Directors or Key Managerial Personnel were selected as a Director or Member of Senior Management.
- There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.
- As on the date of this Letter of Offer, none of our directors are on the RBI List of wilful defaulters.
- As on the date of this Letter of Offer, none of our Directors are Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- As on the date of this Letter of Offer, none of our Director is or was a director of any listed Company during the last 5 (five) years preceding the date of this Letter of Offer, whose shares have been or were suspended from being traded on the Stock Exchange(s), during the term of their directorship in such Company.
- As on the date of this Letter of Offer, none of our Director is or was a director of any listed Company which has been or was delisted from any stock exchange during the term of their directorship in such Company.
- As on the date of this Letter of Offer, none of the Promoters, Persons forming part of our Promoter Group, Directors or persons in control of our Company, has been or is involved as a promoters, director or person in control of any other Company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority.
- No proceedings / investigations have been initiated by SEBI against any Company, the Board of Directors of which also comprises any of the Directors of our Company

OUR KEY MANAGERIAL PERSON

Our Company is managed by our Board of Directors, assisted by qualified and experienced professionals, who are permanent employees of our Company. Following are the Key Managerial Personnel of our Company:

| Name of the KMPs | Designation |
|-------------------------|--|
| Mr. Manish Kumar Badola | Managing Director |
| Mr. Hemant Vadilal Modi | Chief Financial Officer |
| Mr. Mushahid Ahmed Khan | Company Secretary and Compliance Officer |

RELATIONSHIP OF KEY MANAGERIAL PERSONNEL WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL:

None of the key Managerial Personnel are related to each other or to our Promoters or to any of our Directors.

SECTION VI – FINANCIAL INFORMATION

| Sr.no | Particulars | Page no |
|-------|---|-----------|
| 1. | Audited Financial statements for the FY 2022-2023 has been attached as Annexure-A | 109 - 148 |
| 2. | Un-Audited Financial Statement for the Half Year ended on 30 th September, 2023 attached as Annexure-B | 149 - 155 |

MARKET PRICE INFORMATION

Our Company's Equity Shares are listed on BSE Limited; and the Right Shares issued pursuant to this Issue will be listed on BSE Limited, the Designated Stock Exchange. For further details, please refer to the section titled '*Terms of the Issue*' on page 80 of this Letter of Offer.

Our Company shall receive an in-principle approval for listing of the Right Shares on the BSE Limited to be issued pursuant to this Issue from BSE Limited by letter dated December 05, 2023. Our Company shall also make applications to BSE Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;
2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;
3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and
4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE Limited, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

| Financial Year | Date of High | High (₹) | Volume on date of High (Number of Equity Shares) | Date of Low | Low (₹) | Volume on date of low (Number of Equity Shares) | Average price for the year (₹) |
|----------------|-------------------|----------|--|-------------------|---------|---|--------------------------------|
| 2022-2023 | May 06, 2022 | 04.93 | 94,481,798 | March 08, 2023 | 1.20 | 4,513,557 | 3.06 |
| 2021-2022 | January 13, 2022 | 12.88 | 9,651,600 | May 12, 2021 | 0.38 | 4,965,270 | 6.63 |
| 2020-2021 | February 04, 2021 | 0.62 | 47,61,490 | November 13, 2020 | 0.15 | 1,643,073 | 0.38 |

Source: www.bseindia.com

The high, low and average prices recorded on the BSE Limited, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

| Month | Date of High | High (₹) | Volume (Number of Equity Shares) | Date of Low | Low (₹) | Volume (Number of Equity Shares) | Total number of days of trading | Average volume of Equity Shares Traded |
|----------|-------------------|----------|----------------------------------|-------------------|---------|----------------------------------|---------------------------------|--|
| October | October 18, 2022 | 2.75 | 4,779,701 | October 13, 2022 | 2.34 | 1,659,376 | 19 | 2,224,338 |
| November | November 14, 2022 | 2.47 | 2,086,730 | November 30, 2022 | 2.00 | 8,344,746 | 21 | 3,934,101 |
| December | December 01, 2022 | 2.24 | 5,683,599 | December 26, 2022 | 1.71 | 2,939,985 | 22 | 3,717,037 |

| Month | Date of High | High (₹) | Volume (Number of Equity Shares) | Date of Low | Low (₹) | Volume (Number of Equity Shares) | Total number of days of trading | Average volume of Equity Shares traded |
|----------|-------------------|----------|----------------------------------|-------------------|---------|----------------------------------|---------------------------------|--|
| January | January 02, 2023 | 2.06 | 1,882,761 | January 30, 2023 | 1.71 | 26,66,772 | 21 | 1,766,306 |
| February | February 01, 2023 | 1.85 | 2,201,998 | February 28, 2023 | 1.33 | 3,809,240 | 20 | 2,179,897 |
| March | March 13, 2023 | 1.8 | 7,046,147 | March 08, 2023 | 1.2 | 4,513,557 | 21 | 4,444,255 |

The high, low, and average volume of shares traded on the BSE Limited, during the last 4 (Four) weeks:

| Week ended on | High Price (₹) | Date of High | Low Price (₹) | Date of Low | Average volume of Equity Shares Traded |
|----------------|----------------|----------------|---------------|----------------|--|
| March 10, 2023 | 1.65 | March 10, 2023 | 1.20 | March 08, 2023 | 85,10,292 |
| March 17, 2023 | 1.80 | March 13, 2023 | 1.35 | March 14, 2023 | 46,96,834 |
| March 24, 2023 | 1.49 | March 20, 2023 | 1.35 | March 24, 2023 | 20,24,954 |
| March 31, 2023 | 1.39 | March 27, 2023 | 1.20 | March 31, 2023 | 36,06,359 |

Source: www.bseindia.com

The Issue Price of ₹1.60/- per Equity Share has been arrived at by our Company in consultation with the Issue advisors.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as disclosed below, there are no outstanding litigations involving our Company, whose financial statements are included in the letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position, or future revenues. In this regard, please note the following:

In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as ‘material’;

For determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,

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

CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2023, there is a NIL Contingent Liability for further details, please refer to section titled ‘*Financial Information*’ beginning on page 68 of this Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

1. LITIGATION INVOLVING TAX LIABILITIES

i. Direct/Indirect Tax Liabilities

Litigation involving Tax Liabilities;

For F.Y. 2015-16

Tax Amount: 2,13,48,900 & **Penalty:** Rs. 1,13,04,670 **Total:** Rs. 3,26,53,570

The same is under protest and the company has filed appeal with commissioner

For F.Y. 2017-18

Tax Amount Rs. 1,06,890

This order passed by CPC under Section 143(3) which is also under protest

ii. Actions taken by Statutory/Regulatory Authorities:

An adjudicating Order was passed by Adjudicating Officer vide SEBI ADJUDICATION ORDER NO. Order/SM/AD/2022-23/19863-19864 dated 30th September, 2022 Against Company and its Previous Director(s) and penalty was imposed of Rs. 13,00,000 on Company and Rs. 7,00,000 was on Previous Director of the Company and further company filed an Appeal No. 950 of 2022 before THE SECURITIES APPELLATE TRIBUNAL MUMBAI in which the Appellate authority reduced the penalty on Company to Rs. 5,00,000 which was paid by the Company and the penalty was also paid by previous Director.

iii. Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no other issues of moral turpitude or criminal liability on the part of our Company, except the matter given in the above point no. 1 and 2 is under appeal.

iv. Proceedings involving Material Violations of Statutory Regulations by our Company

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

v. Matters involving economic offences where proceedings have been initiated against our Company

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

vi. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and

adversely affect the operations or the financial position of our Company

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

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

As on date of offer document there is no Litigation matter is pending.

LITIGATION INVOLVING OUR SUBSIDIARY / ASSOCIATES

As on date of filing of offer document there are no Subsidiary and Associates company.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

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

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2023

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

GOVERNMENT AND OTHER APPROVALS

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

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

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

- a) The Board of Directors have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on Thursday, August 22, 2023, authorized the Issue;
- b) Resolution of the Board of Directors dated January 15, 2023 approving and adopting the Letter of Offer;
- c) In-principle approval dated December 05, 2023 from the BSE Limited to use the name of BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;
- d) The ISIN of the Company is INE300B01022.

OFFICES

Our company's registered office is situated at Office No. 110, 1st Floor, Golden Chamber Pre-Co-Op Soc. Ltd. New Link Road, Andheri West Mumbai - 400053 IN.

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

| Sr. No. | Description | Registrar | Registration Number/ CIN | Date Certificate | Date of Expiry |
|---------|--|-------------|--------------------------|------------------|-----------------------|
| a. | Certificate of Incorporation in the name of Indian Leasers Limited | ROC- Mumbai | 27198 | 22.05.1982 | Valid until Cancelled |

Approvals/registration valid

| Sr. No. | Description | Authority | Registration Number | Date of Certificate | Date of Expiry |
|---------|-----------------------------|-----------------------|---------------------|---------------------|-----------------------|
| a. | Certificate of Registration | Reserve Bank of India | B-13.00221 | 04/03/1998 | Valid until cancelled |

TAX RELATED APPROVALS

| Sr. No. | Description | Authority | Registration Number | Date Certificate | Date of Expiry |
|---------|---|--------------------------|---------------------|------------------|-----------------------|
| a) | Permanent Account Number | Income Tax Department | AAACI0350E | NA | Valid until cancelled |
| b) | Tax Deduction Account Number | Income Tax Department | N.A | NA | Valid until cancelled |
| c) | Certificate of enrolment Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 | Professional Tax Officer | N.A | April 01, 2017 | Valid until cancelled |
| d) | GST Registration | Government of India | N.A | July 01, 2017 | Valid until cancelled |

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

- i. The Issue of this Right Equity Shares to the eligible shareholders in terms of this Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on August 22, 2023 under Section 62 (1) of the Companies Act 2013.
- ii. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated August 22, 2023.
- iii. The Letter of Offer has been approved by our Board pursuant to its resolution dated January 15, 2024.
- iv. The Company has received In-principle approval from BSE vide their letter dated December 05, 2023 for listing of Right Equity Shares to be allotted in the Issue.
- v. The Company has been allotted the ISIN: INE300B20014 for the Rights Entitlements to be credited to the respective demat account of the Equity Shareholders of the Company. For details, see “*Terms of the Issue*” beginning on page 80 of this Letter of Offer.

| | |
|--------------------------------|--|
| Issue Size | Up to Rs. 4,183.25 |
| Issue Price | Re 1.60/- per Right Equity Share |
| Issue Entitlement Ratio | 13 (Thirteen) Equity Shares for every 50 (Fifty) Equity Shares held by Eligible Shareholders of our Company as on Record Date; |
| Record Date | January 29, 2024 |

The Issue Price shall be determined by the board of directors as per relevant law applicable to the Issue;

- a. Receipt of In-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number LOO/RIGHT /VK/FIP /922/2023-24 from BSE Limited dated December 05, 2023. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
- b. Our Company has been allotted the ISIN: INE300B20014 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company;

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

- a. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or de barred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.
- b. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.
- c. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Willful Defaulters by the RBI;
- d. None of our Directors are associated with the securities market in any manner;
- e. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
- f. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the of BSE Limited. Our Company undertakes to make an application to the Stock Exchange for listing of the Rights Equity Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI ICDR REGULATIONS

The present Issue being of less than 5,000 Lakhs, our Company is in compliance with first proviso to Regulation 3 of the SEBI (ICDR) Regulations and our Company shall file the copy of the Letter of Offer prepared in accordance with the SEBI (ICDR) Regulations with SEBI for information and dissemination on the website of SEBI, i.e. www.sebi.gov.in;

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 Exchanges for “*In-Principle Approvals*” for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for this Issue.

COMPLIANCE WITH PART B OF SCHEDULE VI OF THE SEBI ICDR REGULATIONS

Our Company is in compliance with the provisions specified in Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

- i. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Letter of Offer with the Designated Stock Exchange;
- ii. The reports, statements and information referred to above are available on the website of stock exchange; and
- iii. Our Company has an investor grievance handling mechanism which includes meeting of the Stakeholders’ Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances

As our Company satisfies the conditions specified in Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

This Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations as the size of issue is not exceeding Rs. 5,000.00 Lakh, however the final letter of offer will be filed with SEBI for information and dissemination purpose.

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

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Letter of Offer has been submitted to BSE. The disclaimer clause as intimated by BSE to us, post scrutiny of this Letter of Offer, shall be included in the Letter of Offer prior to filing with the SEBI and the Stock Exchanges.

DISCLAIMER FROM OUR COMPANY

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in the advertisements or any other material issued by or at instance of the above-mentioned entities and that anyone placing reliance on any other source of information, including website of our Company would be doing so at his or her own risk.

Investors will be required to confirm and will be deemed to have represented to our Company and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Our Company shall make all relevant information available to the Eligible Equity Shareholders in accordance with SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Letter of Offer. You must not rely on any unauthorized information or representations. This Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

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

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, THE 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 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 under the Letter of Offer. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer/ Abridged Letter of Offer and Application Form and 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 authorized 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 THE LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THE LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

For more detail, please refer “*Notice to Investor*” on page 9 of this Letter of Offer.

FILING

The Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹ 5,000.00 Lakhs which does not require issuer to file Letter of Offer with SEBI. The Company has filed Letter of Offer with the BSE for obtaining in-principle approval.

LISTING

The Designated Stock Exchange for the purposes of the Right Issue will be BSE Limited. 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

The Letter of Offer is solely for the use of the person who has received it from our Company or from the Registrar. The Letter of Offer is not to be reproduced or distributed to any other person. The distribution of the Letter of Offer, Abridged Letter of Offer and Application Form and 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 the Letter of Offer, Abridged Letter of Offer and Application Form and 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, Abridged Letter of Offer and Application Form and 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 the 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 the Letter of Offer has been filed with the Stock Exchanges.

Accordingly, the Rights Entitlement or Equity Shares may not be offered or sold, directly or indirectly, and the 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 the Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The 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 the 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 the 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 the 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.

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

Our Company has adequate arrangements for the redressal of investor complaints. Redressal norm for response time for all correspondence including shareholder's complaints is within 15 (fifteen) days. Additionally, we have been registered with SCORES, as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Letters are filed category wise after being duly attended. A well-arranged correspondence system has been developed for letters of a routine nature.

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. Purva Sharegistry (India) Private Limited is our Registrar and Share Transfer Agent. All investor grievances received by us have been handled by the Registrar and Share Transfer Agent in consultation with the Company Secretary and Compliance Officer.

Our Company provides easy access to information regarding our services and ensure timely disclosures of financial as well as non-financial material information. Grievances are resolved in a timely, efficient and fair manner, and processes are promptly initiated to prevent recurrence.

STOCK MARKET DATA OF EQUITY SHARES OF OUR COMPANY

For stock market data, see "*Market Price Information*" beginning on page 69.

GRIEVANCE REDRESSAL MECHANISM

The Company has an established mechanism for investor services and grievance handling, with RTA and the Compliance Officer of the

Company for this purpose, being important functional nodes.

Some of the key steps undertaken by the Company for handling Investor Grievances are enumerated as follows:

Purva Shareregistry (India) Private Limited (RTA) is entrusted with handling all share related matters.

Investors can lodge a complaint by giving details of their name, folio no., DP ID / Client ID, nature and full particulars of their complaint directly to the company.

All the investor complaints/grievance received through SEBI by online “SEBI Complaints Redress System” (SCORES) are checked regularly and replied/resolved expeditiously.

As required under Regulation 13 of the Listing Regulations, the Company files with the Stock Exchanges and places the statement of investor complaints at the Board meeting on a quarterly basis.

STATUS OF OUTSTANDING INVESTOR COMPLAINTS

As on the date of this Letter of Offer, there were no outstanding Investor complaints.

As mentioned, our Company is registered with the SCORES. Consequently, Investor grievances are tracked online by our Company. The average time taken by the Registrar to the Issue for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

INVESTOR GRIEVANCES ARISING OUT OF THIS ISSUE

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number ‘CIR/OIAE/2/2011 dated June 3, 2011’. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said 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. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

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

INVESTOR GRIEVANCES ARISING OUT OF THIS ISSUE

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

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

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

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of

complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

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

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled '**Terms of the Issue**' on PAGE 80 of this Letter of Offer.

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

| Company Secretary and Compliance Officer | Registrar to the Issue |
|---|--|
| <p>Mr. Mushahid Ahmed Khan Address: Office No.110, 1st Floor, Golden Chamber Pre Co-op Soc Ltd, New Link Road, Andheri (West), Mumbai, Maharashtra, 400053; Contact Number: 022-49601435 Email-ID: indianinfotechsoftware@yahoo.com Website: www.indianinfotechandsoftwareltd.in</p> | <p>Purva Sharegistry (India) Private Limited. Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India; Telephone: +91 22 49614132; +91 22 497000138; +91 22 31998810; + 91-22-2301 2518 /6761; E-mail ID/Investor grievance e-mail: support@purvashare.com; Website: https://purvashare.com Contact Person: Ms. Deepali Dhuri; SEBI Registration Number: INR000001112</p> |

SECTION VIII: ISSUE RELATED 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 this, 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 this Letter of Offer. Investors who are eligible to apply under the ASBA process, 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 and Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020. As per the said circular, in case the physical shareholders who have not been able to open a demat account or are unable to communicate their demat details, in terms of clause 1.3.4 of the SEBI – Rights Issue Circular, to the Company or Registrar to the Issue, for credit of REs within specified time, such physical shareholders may be allowed to submit their application subject to the conditions prescribed in the SEBI Circulars dated May 06, 2020 and July 24, 2020.

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. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Further, In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

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, The 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, the 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 Exchanges and terms and conditions as stipulated in the Allotment Advice.

Important:

1) *Dispatch and availability of Issue materials:*

In accordance with the SEBI ICDR Regulations, SEBI circulars SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, Circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and the MCA Circular, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company..

Investors can also access the Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.indianinfotechandsoftwareltd.in
- b) the Registrar to the Issue at: <https://purvashare.com>
- c) the Stock Exchanges at www.bseindia.com

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

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.

2) *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, and SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 (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 and 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. Original Shareholders shall mean the Resident Shareholders who are holding the Equity Shares of our Company as on the Record Date i.e. January 29, 2024 (hereinafter referred to as the “Original Shareholders”). Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using optional mechanism. For details, see “**Procedure for Application through the ASBA Process**” and on page 87 of this Letter of Offer.

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

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue 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 i.e. February 06, 2024, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “Indian Infotech and Software Limited - Rights Entitlement category Suspense Demat 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) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings. Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

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

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in 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 our Company or Registrar 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.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

- a) The Eligible Equity Shareholders are residents;
- b) The Eligible Equity Shareholders are not making payment from non-resident account;
- c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

d) The Eligible Equity Shareholders shall receive Rights Shares, in respect of their Application, only in demat mode.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Shares in such demat account.

5) *Other important links and helpline:*

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

a) Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: support@purvashare.com

b) Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar or our Company: support@purvashare.com

c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: support@purvashare.com

RENOUNCES

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

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on August 22, 2023 pursuant to Section 62(1)(a) of the Companies Act.

The Board in their meeting held on August 22, 2023 have determined the Rights Entitlement Ratio as Thirteen (13) Right Equity Share for every Fifty (50) fully paid-up Equity Shares held on the Record Date which is to be decided.

The Board in their meeting held on January 15, 2024 have determined the Issue Price at ₹ 1.60 per Equity Share and the Record Date i.e. January 29, 2024.

Our Company has received In-Principle approvals from BSE Limited 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 December 05, 2023.

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 i.e. January 29, 2024, 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. January 29, 2024 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://purvashare.com>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (www.indianinfotechandsoftwareltd.in).

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 i.e. Monday, January 29, 2024, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to communicate with the Registrar to the Issue in the manner provided on their website (<https://purvashare.com>). They may also communicate with the Registrar with the help of the helpline email address support@purvashare.com.

Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. Monday, 29th January, 2024

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 only to email 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, 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. 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 Exchange 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 Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

FACE VALUE

Each Rights Equity Share will have the face value of ₹1.00.

ISSUE PRICE

Each Rights Equity Share is being offered at a price of ₹1.60/ per Rights Equity Share (including a premium of ₹ 0.60/- per Rights Equity Share) payable in full on Application, in the Issue. The Issue Price has been arrived at by our Company prior to the determination of the Record Date.

The Issue Price and other relevant conditions are in accordance with Regulation 10(4) of the SEBI Takeover Regulations.

The Board, at its meeting held on January 15, 2024 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 Thirteen (13) Right Equity Share for every Fifty (50) Equity Shares held on the Record Date i.e. Monday, January 29, 2024.

The Board at its meeting held on August 22, 2023 has determined the Rights Entitlement Ratio.

RIGHTS OF INSTRUMENT HOLDER

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

TERMS OF PAYMENT

Full amount of ₹1.60/- per Equity Share (including premium of ₹0.60/- per Equity Share) shall be payable on Application.

FRACTIONAL ENTITLEMENTS

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of Thirteen (13) Right Equity Share for every Fifty (50) Equity Shares held on the Record Date i.e. Monday, January 29, 2024. 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 [50] Equity Shares 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.

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

The existing Equity Shares of our Company are listed and traded under the ISIN:INE300B01022 on BSE Limited (Scrip Code: 509051). 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 December 05, 2023. 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 Rights Equity Shares allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within the specified time.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

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 in the Issue by our Promoters and Promoter Group*” on page 34 of this Letter of Offer.

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

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.

NEW FINANCIAL INSTRUMENTS

There are no new financial instruments like deep discount bonds, debentures with warrants, secured premium notes etc. issued by our Company.

RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES AND ON THEIR CONSOLIDATION/SPLITTING

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue.

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not effected unless the securities are held in the dematerialized form with a depository

NOTICES

In accordance with the SEBI ICDR Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send, only through email, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material to the email addresses of all the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares 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.

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 and one (1) Marathi language daily newspaper with wide circulation 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, 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 only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Monday, January 29, 2024.

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 at least three days before the Issue Opening Date i.e. Tuesday, 06th February, 2024. 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, Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- a) Our Company at www.indianinfotechandsoftwareltd.in
- b) the Registrar to the Issue at www.purvashare.com
- c) the Stock Exchanges at www.bseindia.com;

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.purvashare.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., www.indianinfotechandsoftwareltd.in). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouces, 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 or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. Monday, January 29, 2024 and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account. Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

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 89.

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 www.purvashare.com and link of the same would also be available on the website of our Company at (www.indianinfotechandsoftwareltd.in). 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, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

SELF-CERTIFIED SYNDICATE BANKS

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the

SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using the optional mechanism are liable to be rejected.

Investors can also make Basis of Allotment mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 89.

ADDITIONAL RIGHTS EQUITY SHARES

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to applicable sectoral caps, and in consultation, if necessary, with the Designated Stock Exchange and in the manner prescribed under the section titled “*Terms of the Issue*” on page 80. 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 97.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

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 Exchanges; 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.

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 INE300B20014 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 [50] Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., February 06, 2024 to February 08, 2024 (both days inclusive). The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN INE300B20014 and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on ‘T+2 rolling settlement basis’, where ‘T’ refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock 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 Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE300B20014, 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.

APPLICATIONS ON PLAIN PAPER UNDER ASBA PROCESS

An Eligible Equity Shareholder who has neither received the Application Form nor is in a position to obtain the Application Form either from our Company, Registrar to the Issue or from the website of the Registrar, can make an Application to subscribe to the Issue on plain paper through ASBA process. Eligible Equity Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorizing such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed “**INDIAN INFOTECH & SOFTWARE LIMITED– Rights Issue**” and should be postmarked in India. The application on plain paper, duly signed by the Eligible Equity Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. may make an Application to subscribe to the Issue on plain paper, along with an account payee cheque or demand draft drawn at par, net of bank and postal charges, payable at Mumbai and the Investor should send such plain paper Application by registered post directly to the Registrar to the Issue. For details of the mode of payment, see “**Modes of Payment**” on page 80.

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 Issuer,
- 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 ₹1.60 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 www.purvashare.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 the Issue Closing Date i.e., Tuesday, 13th February, 2024 . 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 i.e. Tuesday, 06th February, 2024

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 97.

MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility, the optional

mechanism devised. 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 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 optional mechanism. 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 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. Non-Resident Investors shall send their Right Entitlement credit request with ID proof to the Registrar to the Issue at support@purvashare.com.

- 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.

APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date i.e. Monday, January 29, 2024 and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company, in the manner provided on the website of the Registrar to the Issue at www.purvashare.com at least two Working Days prior to the Issue Closing Date i.e., Tuesday, 13th February, 2024. They may also communicate with the Registrar with the help of the helpline numbers +91 22 49614132; +91 22 49700138; +91 22 3199 8810 and their email address support@purvashare.com.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, i.e. Tuesday, 13th February, 2024, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- **“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”** and **“Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”** on page 80.

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date i.e. Monday, January 29, 2024 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email 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 email, 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 i.e. Tuesday, 13th February, 2024 .
- (b) 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 i.e. Tuesday, 13th February, 2024;
- (c) The Eligible Equity Shareholders can access the Application Form from:

the website of the Registrar at: www.purvashare.com ;

our Company at: www.indianinfotechandsoftwareltd.in and

the Stock Exchanges at: www.bseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.purvashare.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e., www.indianinfotechandsoftwareltd.in);

The Eligible Equity Shareholders shall, who are, (a) Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) 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. [Tuesday, 13th February, 2024], may also apply in this Issue during the Issue Period by filling the online Application Form and make online payment using their internet banking or UPI facility from their own bank account thereat, on or before the Issue Closing Date i.e. [Tuesday, 13th February, 2024]. Such resident Eligible Equity Shareholders may be required to submit address, email address, contact details, copy of PAN and Client Master List, for verification of their Application. Further, such resident Eligible Equity Shareholder can:

- (a) apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
- (b) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
- (c) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE i.e. MONDAY, JANUARY 29, 2024. 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.

For details of credit of the Rights Equity Shares to such resident Eligible Equity Shareholders, see “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner*” on page 80.

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 i.e. MONDAY, JANUARY 29, 2024.

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, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date i.e. Tuesday, 13th February, 2024, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Such Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in Section Terms of the Issue- ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** and ***“Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner”*** on page 80.

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.

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 accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

h. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date i.e. Tuesday, 13th February, 2024, (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 Exchanges, and (ii) the optional facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

j. 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.

k. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

l. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.

m. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. 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.

n. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

o. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.

p. All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/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.

q. Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

r. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

s. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

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.

GROUND 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 not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) 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).
- (i) 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.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) 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.

Applications which have evidence of being executed or made in contravention of applicable securities laws.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE i.e. MONDAY, JANUARY 29, 2024 . 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 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.

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 to meet the minimum subscription requirements applicable to the Issue as described in "*Capital Structure- Intention and extent of participation by our Promoters and Promoter Group*" on page 34).

UNDERWRITING

The Issue is not underwritten.

ISSUE SCHEDULE

| | |
|---|-----------------------------|
| Issue Opening Date | Tuesday, 6 February, 2024 |
| Last date for on-market renunciation of rights / Date of closure of trading of Rights Entitlements | Thursday, 8 February, 2024 |
| Issue Closing Date | Tuesday, 13 February, 2024 |
| Finalising the basis of allotment with the Designated Stock Exchange | Thursday, 15 February, 2024 |
| Date of Allotment (on or about) | Thursday, 15 February, 2024 |
| Date of credit (on or about) | Monday, 19 February, 2024 |
| Date of listing (on or about) | Monday, 26 February, 2024 |

**Our Board may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).*

***Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of Application Forms or on before the Issue Closing Date.*

BASIS OF ALLOTMENT

Subject to the provisions contained in this 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 Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- d) Allotment to Renouces who having applied for all the Rights Equity Shares renounced in their favour, 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 will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- 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.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Designated Branches, a list of the ASBA Investors who have been Allotted Rights Equity Shares in the Issue, along with:

- (a) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- (b) The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- (c) The details of rejected ASBA Applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

In the event of over subscription, Allotment shall be made within the overall size of the Issue.

ALLOTMENT 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 in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date i.e. Tuesday, 13th February, 2024 . 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 15 days' period.

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 15 days of the Issue Closing Date i.e. Tuesday, 13th February, 2024.

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. Since Allotment in this Issue will occur subsequent to May 10, 2019, the entitlement of Rights Equity Shares to be Allotted to the Applicants who have applied for Allotment of the Rights Equity Shares in physical form will be kept in abeyance in electronic mode by our Company until six months.

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.

Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form and disposal of Rights Equity Shares for non-receipt of demat account details in a timely manner

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e. Monday, January 29, 2024], have paid the Application Money and have not provided 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. Tuesday, 13th February, 2024, the following procedure shall be adhered to:

- (a) the Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account opened by our Company;
- (b) within 6 (six) months from the Allotment Date, such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email 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 post, speed post, courier, electronic mail or hand delivery;
- (c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;
- (d) In case of non-receipt of details of demat account as per (b) above, our Company shall conduct a sale of such Rights Equity Shares lying in the demat suspense account on the floor of the Stock Exchanges at the prevailing market price and remit the proceeds of such sale (net of brokerage, applicable taxes and administrative and incidental charges) to the bank account mentioned by the resident Eligible Equity Shareholders in their respective Application Forms and from which the payment for Application Money was made. In case such bank accounts cannot be identified due to any reason or bounce back from such account, our Company may use payment mechanisms such as cheques, demand drafts, etc. to such Eligible Equity Shareholders to remit such proceeds. Such Rights Equity Shares may be sold over such period of time as may be required, depending on liquidity and other market conditions on the floor of the Stock Exchanges after the expiry of the period mentioned under (b) above. Therefore, such proceeds (net of brokerage, applicable taxes and administrative and incidental charges) by way of sale of such Rights Equity Shares may be higher or lower than the Application Money paid by such Eligible Equity Shareholders;
- (e) Our Company shall send reminder notices seeking the requisite details of demat account prior to expiry of time period under (b) above, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details. After expiry of time period under (b) above, our Company or the Registrar shall not accept any requests by such Eligible Equity Shareholders for updation of details of demat account under any circumstances, including in case of failure to sell such Rights Equity Shares;
- (f) After the consummation of the sale of Rights Equity Shares on the floor of the Stock Exchanges, our Company shall send an intimation to the respective Eligible Equity Shareholders, giving details of such sale, including the sale price and break-up of net brokerage, taxes and administrative and incidental charges; and
- (g) If at the time of transfer of sale proceeds for default cases, the bank account from which Application Money was received is closed or non-operational, such sale proceeds will be transferred to IEPF in accordance with practice on Equity Shares and as per applicable law.

(h) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall be subject to sale process specified under (d) above.

Notes:

1. Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date i.e. Monday, January 29, 2024 and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing Date, i.e. Tuesday, 13th February, 2024. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.
2. The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.
3. There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.
4. Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).
5. Our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

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. **National Automated Clearing House ("NACH")** – NACH is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centers specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centers where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the Depositories), except where the Applicant is otherwise disclosed as eligible to get refunds through NEFT, Direct Credit or RTGS.
2. **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.
3. **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.
4. **RTGS** – If the refund amount exceeds ₹ 2 lakhs 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.

5. 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.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

REFUND PAYMENT TO NON-RESIDENTS

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

PRINTING OF BANK PARTICULARS ON REFUND ORDERS

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders or refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

ALLOTMENT ADVICE OR DEMAT CREDIT

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

OPTION TO RECEIVE RIGHT EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the electronic form is as under:

- Open a beneficiary account with any Depository Participant (*care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company*). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
- If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

- The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ 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.
- Renounces 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, desirous of subscribing to Rights Equity Shares in this Issue must check the procedure for application by and credit of Rights Equity Shares to such Eligible Equity Shareholders in Section Terms of the Issue- “*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*” and “*Credit and Transfer of Rights Equity Shares in case of Shareholders holding Equity Shares in Physical Form*” on pages 80, respectively.

INVESTMENT BY FPIS

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50% or common control) must be below 10% of our post- Issue Equity Share capital. Further, in terms of FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Issue are advised to use the ASBA Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, only Category I FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons eligible to be registered as Category I FPIs; and (ii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms. An FPI may transfer offshore derivative instruments to persons compliant with the requirements of Regulation 21(1) of the SEBI FPI Regulations and subject to receipt of consent, except where pre-approval is provided.

All non-resident investors should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

INVESTMENT BY SYSTEMICALLY IMPORTANT NON-BANKING FINANCIAL COMPANIES (NBFC – SI)

In case of an application made by Systemically Important NBFCs registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

INVESTMENT BY AIFS, FVCIS AND VCFS

The SEBI (Venture Capital Funds) Regulations, 1996, as amended (“SEBI VCF Regulations”) and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended (“SEBI FVCI Regulations”) prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI (Alternative Investments Funds) Regulations, 2012 (“SEBI AIF Regulations”) prescribe,

among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue.

Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations.

Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection

APPLICATIONS WILL NOT BE ACCEPTED FROM FPIS IN RESTRICTED JURISDICTIONS.

FPIS which are QIBs, Non-Institutional Investors or whose application amount exceeds ₹ 2 lakhs can participate in the Rights Issue only through the ASBA process. Further, FPIS which are QIB applicants and Non-Institutional Investors are mandatorily required to use ASBA, even if application amount does not exceed ₹ 2 lakhs.

INVESTMENT BY NRIS

Investments by NRIs are governed by Rule 12 of FEMA Rules. Applications will not be accepted from NRIs in Restricted Jurisdictions.

NRIs may please note that only such Applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under the reserved category. The NRIs who intend to make payment through NRO accounts shall use the Application form meant for resident Indians and shall not use the Application forms meant for reserved category.

As per Rule 12 of the FEMA Rules read with Schedule III of the FEMA Rules, an NRI or OCI may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

INVESTMENT BY MUTUAL FUNDS

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

PROCEDURE FOR APPLICATIONS BY SYSTEMICALLY IMPORTANT NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 –IA of the RBI Act, 1934 and (ii) networth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

PAYMENT BY STOCK INVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest Scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

IMPERSONATION

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (ii) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (iii) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹10 lakhs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lakhs or with both.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form. Our Board 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. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date i.e. Thursday, 08th January, 2024. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

UTILIZATION OF ISSUE PROCEEDS

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested; and
- (d) Our Company may utilize the funds collected in the Issue only after final listing and trading approvals for the Rights Equity Shares Allotted in the Issue is received.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- (i) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (ii) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.

- (iii) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (iv) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (v) Other than any Equity Shares that may be issued pursuant to exercise options under the ESOP 2016 and ESOP 2018, no further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (vi) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (vii) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non-ASBA Applications while finalizing the Basis of Allotment.
- (viii) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (ix) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (x) Our Company accepts full responsibility for the accuracy of information given in this 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

In accordance with Regulation 86 of SEBI (ICDR) Regulations, if our Company does not receive the minimum subscription of at least 90.00% of the Issue our Company shall refund the entire subscription amount received within 4 (Four) days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

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 i.e. Tuesday, 13th February, 2024 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 Exchanges will also be informed promptly.

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 Exchanges.

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 exchanges where the Equity Shares may be proposed to be listed.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this 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 18 of this Letter of Offer.

All enquiries in connection with the Letter of Offer or Application Form and the Rights Entitlement Letter must be addressed (quoting the Registered Folio Number or the DP and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "Indian Infotech & Software Limited – Rights Issue" on the envelope to the Registrar at the following address:

Purva Sharegistry (India) Pvt. Ltd.

CIN: U67120MH1993PTC074079

Address: Unit no. 9, Shiv Shakti Ind. Estt.

J. R. Boricha Marg, Lower Parel (E) Mumbai 400 011.

Telephone: +91 22 31998810; +91 22 49700138; +91 22 4961 4132; Facsimile: +91 22 22 3570 0224;

E-mail: support@purvashare.com ; Website: <https://www.purvashare.com/>

SEBI Registration No: INRO00001112

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.purvashare.com). Further, email ID provided by the Registrar for guidance on the Application process and resolution of difficulties is support@purvashare.com

The Issue will remain open for a minimum period of 15 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).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”), which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Policy will be valid until the DPIIT issues an updated circular. Further, the sectoral cap applicable to the sector in which our Company operates is 100% which is permitted under the automatic route.

The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

SECTION IX: 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 of the Company between 10.00 a.m. and 5.00 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

Material Contracts for the Issue

1. Registrar Agreement dated January 13, 2023 entered into amongst our Company and the Registrar to the Issue.
2. Escrow Agreement dated May 04, 2023 amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;
2. Fresh certificate of incorporation issued by the Registrar pursuant to change of name of our Company;
3. Copies of annual report of our Company for the last three Financial Years ending March 31, 2023;
4. Copy of Un-Audited standalone financial statements for the period ended on September 30, 2023;
5. Resolution of our Board of Directors dated August 22 2023, have authorised this Issue pursuant to Section 62(1)(a) of the Companies Act, 2013 and approving the Draft Letter of Offer;
6. Resolution of our Board of Directors dated January 15, 2024, finalizing the terms of the Issue including Issue Price, Record Date.
7. Resolution of our Board of Directors dated January 15, 2024, approving the Letter of Offer;
8. Consents of our Directors, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities;
9. Report on Statement of Special Tax Benefits dated August 21, 2023, for our Company from the Statutory Auditors of our Company;
10. In-principle approval issued by BSE Limited dated 05th December, 2023.

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 shareholder's subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements and disclosures made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

| | | |
|--|--|---|
| Sd/- Mr. Manish Badola (Managing Director) | Sd/- Mr. Hemant Vadilal Modi (Executive Director cum Chief Financial Officer) | Sd/- Ms. Aksha Bihani (Independent Director) |
| Sd/- Mr. Vinay Kumar K Yadav (Independent Director) | Sd/- Mr. Hari Singh Rao (Independent Director) | Sd/- Mr. Sandeep Kumar Sahu (Independent Director) |

Place: Mumbai

Date: January 15, 2024

**SECTION VI – FINANCIAL INFORMATION (ANNEXURE -A)
FINANCIAL STATEMENTS THE FINANCIAL YEAR ENDING MARCH 31, 2023**

Independent Auditors' Report

Independent auditor's report

To
The Members of
Indian Infotech and Software Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Indian Infotech and Software Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year ended and notes to the financial statement, including a summary of the significant accounting policies and other explanatory information.

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 Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit & Loss statement, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Emphasis of Matter

Attention is invited to following notes of the Financial Statements:

Note No. 11 to the financial statements, in respect of Interest Income (taken on accrual basis) on Loans & Advances, external confirmations of the Interest balances are not available.

Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.

Note No. 3 to the financial statements, in respect of Loans & Advances and Unsecured Loans, external confirmations of the balances are not available. Due to non-availability of confirmation of balances, we are unable to quantify the impact, if any, arising from the confirmation of balances.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters that there are no reportable Key Audit Matter for the Period.

Other Matters

1. The Statement includes the results for the quarter ended March 31, 2023 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

2. The Company has various litigations pending before various authorities, the outcome of which are material but not practicable for the Company to estimate the timings of cash outflows, as well as per Legal opinions obtained by the Management of the Company, it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Our report is not modified in respect of the above matters.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the 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 during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Director 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

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

Auditor's Responsibilities for the Audit of the 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant 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 Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act. Regarding payment of managerial remuneration within limits.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

iv.

a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether

recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

For and on behalf of
ADV & Associates
Chartered Accountants
FRN.128045W

Sd/-

Prakash Mandhaniya
Partner
Membership No.: 421679
Place: Mumbai
Dated: 30.05.2023
UDIN: 23421679BGYAQF6340

(Annexure A to the Independent Auditors' Report)
(Referred to in our report to the member INDIAN INFOTECH AND SOFTWARE LIMITED
OF EVEN DATE).

To the best of our knowledge and information, according to the explanations provided to us by the Company, the audit procedures followed by us and examination of the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's fixed assets, according to the information and explanation given to us, Company does not have any Fixed Asset. Hence, Clause (j) and sub-clause (a), (b), (c), (d) and (e) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

ii. In respect of the Company's Inventories,

a) According to the information and explanation given to us, the Company is a Non-Banking Finance Company engaged in the Business of Financial Activities. Consequently, it does not hold any physical Inventory. The Company has held investments as Inventory and the same are maintained in Demat Form. Accounts accordingly, the provisions of the clause 3(ii) of the Order are not applicable to the company and hence not commented upon.

b) According to the information and explanation given to us, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets.

iii. In respect of Loans, Advances, Investment and Guarantee.

a) The Company is a Non-Banking Finance Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the order is not applicable to the Company.

b) In our opinion, and according to the information and explanations given to us, the investments made and terms and conditions of the grant of all loans and advances in the nature of loans provided are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or given any security during the year.

c) In our opinion, and according to the information and explanations given to us, loans and advances in the nature of loans, no schedule of repayment of principal and payment of interest has been stipulated. Therefore, we cannot comment on the same;

d) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. The amount is not overdue for more than 90 days since it is repayable on Demand, hence sub-clause 3(iii) (d) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

e) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. There is no loan given falling due during the year, which has renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party, hence sub-clause 3(iii)(e) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

f) In our opinion, and according to the information and explanations given to us, Company has granted loans and advances in nature of loans as repayable on demand.

| Particular | Amount |
|---|------------------|
| Aggregate amount of loan granted | 2,27,40,65,528/- |
| Aggregate amount of loan granted as repayable on demand | 2,27,40,65,528/- |

| | |
|---|------|
| Percentage of loan granted as repayable on demand | 100% |
| Aggregate amount granted to Promoters and related parties | NIL |

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted deposits from the public or amounts which are deemed to be deposits from the public. Hence clause 3(v) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

vi. The maintenance of the cost records has not been specified by central government under the sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the company, hence Reporting under clause 3(vi) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

vii. According to the information and explanations given to us, in respect of Statutory Dues.

a) The Company has been generally regular in depositing undisputed statutory dues including Goods and Services Act, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities during the year.

b) According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at March 31, 2023 for a period of more than six months from the date they became payable, except the following:

| Name of Status | Nature of Dues | Period to which amount relates | Amount (in Rs.) | Date of Payment |
|----------------------|-----------------------------|--------------------------------|-----------------|-----------------|
| Income tax Act, 1961 | Income Tax | A.Y. 2018-19 | 1,06,890 | Unpaid |
| Income tax Act, 1961 | Income Tax-Accrued Interest | A.Y. 2018-19 | 21,360 | Unpaid |
| Income tax Act, 1961 | TDS | A.Y. 2021-22 | 2,00,438 | Unpaid |
| Income tax Act, 1961 | TDS | A.Y. 2022-23 | 2,60,211 | Unpaid |
| Income tax Act, 1961 | TDS | A.Y. 2023-24 | 2,05,866 | Unpaid |
| Income Tax Act, 1961 | Income Tax | A.Y. 2016-17 | 2,13,48,900 | Unpaid |
| Income Tax Act, 1961 | Income Tax-Accrued Interest | A.Y. 2016-17 | 29,37,256 | Unpaid |

c) According to information and explanation given to us, there are no dues of GST, Provident fund, Employees State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues to the appropriate authorities during the year.

viii. According to the information and explanations given to us, there are no transactions that were not recorded

in the books of account, and which has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (Section 43 of 1961).

ix. In respect of Term Loans

a) According to the information and explanations given to us, The Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender, hence reporting under sub-clause 3(ix)(a) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

b) According to the information and explanations given to us, the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority, hence reporting under sub-clause 3(ix)(b) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

c) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. The company has not borrowed any term loans during the year, hence reporting under sub-clause 3(ix)(c) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

d) On an overall examination of the financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company, hence reporting under sub-clause 3(ix) (d) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

e) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint ventures, hence sub-clause 3(ix)(e) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

f) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. The company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence reporting under sub-clause 3(ix)(f) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

x. According to information and explanation given to us, the company has not raised any money by way of initial public offer / further public offer (including debt instruments) and not made any preferential allotment / private placement of shares / fully / partly / optionally convertible debentures during the year under review, hence reporting under clause 3(x) and sub-clause (a) and (b) of the Companies (Auditor's Report) Order, 2020 is not applicable to the Company.

xi. According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. No fraud by the Company or any fraud on the Company has been noticed or reported and No whistle-blower complaints have been received during the year, hence Clause 3(xi) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

According to information and explanation given to us and on the basis of verification of records, no report under sub section (12) of section 143 of the Companies Act has been filed by Auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government and hence no reporting is required under clause 3(xi)(b) of the Companies (Auditors Report) Order.

xii. The Company is not a Nidhi Company and hence clause 3(xii) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

xiii. In our opinion, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where

applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements, etc., as required by the applicable accounting standards.

xiv. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. In our opinion and based on our examination. The company has not entered into any non-cash transactions with its directors or persons connected with its directors, hence reporting under clause 3(xv) of the Companies (Auditors Report) Order, 2020 is not applicable to the company.

xvi.

a) According to information and explanation given to us, the records examined by us and based on examination of the documents provided to us. The company is a NBFC registered under section 45-IA of the reserve bank of India Act, 1934 and eligible to do business as a NBFC.

b) The Company has conducted the non-banking financial activities with a valid Certificate of Registration ('CoR') from the RBI as per the RBI Act. The Company has not conducted any housing finance activities and is not required to obtain CoR for such activities from the RBI.

c) The Company is not a Core Investment Company ('CIC') and hence reporting under paragraph 3(xvi)(c) of the Order is not applicable to the Company.

xvii. On an examination of the Statement of Profit and Loss account, we are of the opinion that the Company has not incurred cash losses during the current financial year, hence reporting under clauses 3(xvii) of the Companies (Auditors Report) Order 2020 is not applicable to the Company.

xviii. There is no resignation of the previous statutory auditors during the year as per section 140 of company Act, 2013 Clause (3)(xviii) Companies (Auditors Report) Order 2020 is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under subsection (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. According to information & explanation given to us there is no group of companies, hence not required to report in Companies (Auditors Report) Order 2020.

For and on behalf of

ADV & Associates

Chartered Accountants

FRN:- 128045W

Sd/-

Prakash Mandhaniya

Partner

Membership No. 421679

Place: Mumbai

Dated: 30.05.2023

UDIN: 23421679BGYAQF6340

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **INDIAN INFOTECH AND SOFTWARE LIMITED**,

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **INDIAN INFOTECH AND SOFTWARE LIMITED**, (“the Company”) as of March 31, 2023 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 over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 respective 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 Companies Act, 2013.

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 judgement, 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls-over-Financial Reporting-

A company’s internal financial control over financial 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 controls 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition,

use, or disposition of the company's assets that could have a material effect on the financial statements.

Limitations of Internal Financial Controls over Financial Reporting

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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

For and on behalf of
ADV & Associates
Chartered Accountants
FRN.128045W

SD/-

Prakash Mandhaniya

Partner

Membership No.: 421679

Place: Mumbai

Dated: 30.05.2023

UDIN: 23421679BGYAQF6340

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Balance Sheet as at 31st March, 2023

(Amount in '000s)

| Particulars | Note No. | As at 31st March, 2023 | As at 31st March, 2022 |
|---|----------|------------------------|------------------------|
| ASSETS | | | |
| 1 Financial Assets | | | |
| (a) Cash and cash equivalents | 2 | 451 | 24,492 |
| (b) Bank Balance other than (a) above | | - | - |
| (c) Derivative financial instruments | | - | - |
| (d) Receivables | | | |
| (I) Trade Receivables | | - | - |
| (II) Other Receivables | | - | - |
| (e) Loans | 3 | 22,74,066 | 21,49,491 |
| (f) Investments | 4 | - | - |
| (g) Other Financial assets | | - | - |
| 2 Non-financial Assets | | | |
| (a) Inventories | | 2,411 | 1,01,781 |
| (b) Current tax assets (Net) | | - | - |
| (c) Deferred tax Assets (Net) | | - | - |
| (d) Property, Plant and Equipment | | - | - |
| (e) Capital work-in-progress | | - | - |
| (f) Intangible assets under development | | - | - |
| (g) Other Intangible assets | | - | - |
| (h) Other non-financial assets | 5 | 32,555 | 26,620 |
| Total Assets | | 23,09,482 | 23,02,385 |
| LIABILITIES AND EQUITY | | | |
| LIABILITIES | | | |
| 1 Financial Liabilities | | | |
| (a) Derivative financial instruments | | | |
| (b) Payables | | - | - |
| (I) Trade Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | 249 | 51 |
| (II) Other Payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (ii) total outstanding dues of creditors other than micro enterprises and small enterprises | | - | - |
| (c) Debt Securities | | - | - |
| (d) Borrowings (Other than Debt Securities) | 6 | 3,000 | 3,000 |
| (e) Deposits | | - | - |
| (f) Subordinated Liabilities | | - | - |
| (g) Other financial liabilities | | - | - |
| 2 Non-Financial Liabilities | | | |
| (a) Current tax liabilities (Net) | | - | - |
| (b) Provisions | 7 | 7,434 | 6,488 |
| (c) Other non-financial liabilities | 8 | 667 | 461 |
| 3 EQUITY | | | |
| (a) Equity Share capital | 9 | 10,05,590 | 10,05,590 |
| (b) Other Equity | 10 | 12,92,543 | 12,86,795 |
| Total Liabilities and Equity | | 23,09,482 | 23,02,385 |

The accompanying notes are an integral part of financial statements

1-16

As per our report attached
For ADV & Associates
Chartered Accountants
Firm Regn. No. : 128045W

For & on behalf of the Board of INDIAN
INFOTECH AND SOFTWARE LIMITED

Sd/-
CA. Prakash Mandhaniya
Partner
Membership No. : 421679
UDIN: 23421679BGYAQF6340

Sd/-
Manish K Badola
Managing Director
DIN: 05016172

Sd/-
Mushaid A. Khan
Company Secretary
PAN: BMLPK4089F

Place: Mumbai
Date: 30th May 2023

Sd/-
Hemant Vadilal Modi
Executive Director & CFO
DIN: 09630204, PAN-ANPPM7578P

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Statement of Profit & Loss for the Year Ended 31st March, 2023

(Amount in '000s)

| Particulars | Note No. | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|---|----------|-------------------------------------|-------------------------------------|
| (I) Revenue from operations | | | |
| (i) Interest Income | 11 | 97,713 | 98,119 |
| (ii) Dividend Income | | | 11 |
| (iii) Sale of Shares | | 3,72,900 | 4,55,793 |
| (iv) Others | | - | - |
| Total Revenue from operations | | 4,70,613 | 5,53,923 |
| (II) Other Income - Interest on Income Tax Refund | | - | |
| (III) Total Income (I+II) | | 4,70,613 | 5,53,923 |
| Expenses | | | |
| (i) Finance Costs | | - | - |
| (ii) Purchases of Shares/Stock in Trade | | 3,48,530 | 5,39,400 |
| (iii) Changes in Inventories of finished goods, stock-intrade and work-in- progress | | 99,370 | - |
| (iv) Employee Benefits Expenses | 12 | 4,590 | 2,230 |
| (v) Depreciation, amortization and impairment | | - | - |
| (vi) Others expenses | 13 | 10,315 | 8,006 |
| (IV) Total Expenses (IV) | | 4,62,804 | 5,49,636 |
| (V) Profit / (loss) before exceptional items and tax (III - IV) | | 7,808 | 4,287 |
| (VI) Exceptional items | | - | - |
| (VII) Profit/(loss) before tax (V -VI) | | 7,808 | 4,287 |
| (VIII) Tax Expense: | | | |
| (1) Current Tax | | 1,749 | 1,115 |
| (2) Deferred Tax | | - | - |
| | | 1,749 | 1,115 |
| (IX) Profit / (loss) for the period (VII-VIII) | | 6,059 | 3,173 |
| (X) Other Comprehensive Income | | | |
| (A) (i) Items that will not be reclassified to profit or loss (specify items and amounts) | | - | - |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | | - | - |
| Subtotal (A) | | - | - |
| (B) (i) Items that will be reclassified to profit or loss (specify items and amounts) | | - | - |
| (ii) Income tax relating to items that will be reclassified to profit or loss | | - | - |
| Subtotal (B) | | - | - |
| Other Comprehensive Income (A + B) | | | |
| (XV) Total Comprehensive Income for the period (IX+X) (Comprising Profit (Loss) and other Comprehensive Income for the period) | | 6,059 | 3,173 |
| (XVI) Earnings per equity share | | | |
| Basic (Rs.) | | 0.0060 | 0.0032 |
| Diluted (Rs.) | | 0.0060 | 0.0032 |

The accompanying notes are an integral part of financial statements

1-16

As per our report attached
For ADV & Associates
Chartered Accountants
Firm Regn. No. : 128045W

For and on behalf of the Board of INDIAN
INFOTECH AND SOFTWARE LIMITED

Sd/-
CA. Prakash Mandhaniya

Sd/-
Manish K Badola

Sd/-
Mushaid A. Khan

Partner
Membership No. : 421679
UDIN: 23421679BGYAQF6340

Managing Director
DIN: 05016172

Company Secretary
PAN: BMLPK4089F

Place: Mumbai
Date: 30th May 2023

Sd/-
Hemant Vadilal Modi
Executive Director & CFO
DIN: 09630204, PAN-ANPPM7578P

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Cash Flow Statement for the Year Ended 31st March, 2023

(Amount in '000s)

| Particulars | For the year ended 31st March, 2023 | For the year ended 31st March, 2022 |
|--|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Taxes and Extra ordinary item | 7,808 | 4,287 |
| Adjustments | | |
| Depreciation and Amortisation | - | - |
| Income Tax Expenses | -1,749 | - |
| Preliminary expense w/off | - | - |
| Dividend Income | - | 11 |
| Interest Income | 97,713 | 98,119 |
| Operating Profit before Working Capital Changes | 1,03,772 | 1,02,418 |
| Adjustments For | | |
| (Increase) / Decrease in Inventories | 99,370 | - |
| (Increase) / Decrease in Other Non-Financial Assets | -5,935 | -14,475 |
| (Increase) / Decrease in Other Non-Financial Liabilities | 206 | 260 |
| (Increase) / Decrease in Loan & Advances (Current) | -1,24,574 | 25,973 |
| Increase / (Decrease) in Trade Payables & other liabilities (current & non current) | 833 | -444 |
| Total (A) | 73,672 | 1,13,731 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Interest Received | -97,713 | -98,119 |
| Dividend Received | - | -11,200 |
| Total (B) | -97,713 | -1,09,319 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Increase in Long Term borrowing | - | - |
| Interest Paid | - | - |
| Total (C) | - | - |
| D. NET CHANGE IN CASH AND CASH EQUIVALENT (A+B+C) | -24,041 | 4,412 |
| OPENING CASH & CASH EQUIVALENTS | 24,492 | 8,891 |
| CLOSING CASH & CASH EQUIVALENTS | 451 | 24,492 |

The accompanying notes are an integral part of financial stat 1-16

As per our report attached
 For ADV & Associates
 Chartered Accountants
 Firm Regn. No. : 128045W

For and on behalf of the Board of INDIAN
 INFOTECH AND SOFTWARE LIMITED

sd/-

SD/-

SD/-

CA. Prakash Mandhaniya
 Partner
 Membership No. : 421679
 UDIN:

Manish K Badola
 Managing Director
 DIN: 05016172

Mushaid A. Khan
 Company Secretary
 PAN: BMLPK4089F

SD/-
 Hemant Vadilal Modi
 Executive Director & CFO
 DIN:09630204 ,PAN-ANPPM7578P

Place: Mumbai
 Date: 30th May 2023

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Statement of Changes in Equity for the Year Ended 31st March, 2023
A. Equity Share Capital (Issued, Subscribed and Paid Up) As At 31.03.2023

| Particulars | Balance at the beginning of the reporting period (31.03.2022) | Changes in equity share capital during the year | Balance at the end of the reporting period (31.03.2023) |
|--------------------------------|---|---|---|
| Equity shares of Rs. 1.00 each | 10,05,590 | - | 10,05,590 |

A. Equity Share Capital (Issued, Subscribed and Paid Up) As At 31.03.2022

| Particulars | Balance at the beginning of the reporting period (31.03.2021) | Changes in equity share capital during the year | Balance at the end of the reporting period (31.03.2022) |
|--------------------------------|---|---|---|
| Equity shares of Rs. 1.00 each | 10,05,590 | - | 10,05,590 |

(Amount in '000s)

B. Other Equity As on 31.03.2023

| Particulars | Equity component of compound financial instruments | Share application on money pending allotment | Reserves and Surplus | | | | | Total |
|---|--|--|----------------------|----------------------------|--------------------------|------------------------|-------------------|-----------|
| | | | Special Reserve | Securities Premium Reserve | Share forfeiture Account | Statutory Reserve Fund | Retained Earnings | |
| Balance at the beginning of the reporting period | - | - | 35 | 14,69,391 | 477 | 7,744 | 1,90,851 | 12,86,795 |
| Current Year | - | - | - | - | - | - | 6,059 | 6,059 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | - | - | - | - | - |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to RDD Statutory Reserve | - | - | - | - | - | - | -311 | -311 |
| Transfer from retained earnings | - | - | - | - | - | 1,150 | - | 1,150 |
| Transfer to Statutory Reserve Fund | - | - | - | - | - | - | 1,150 | -1,150 |
| Any other change | - | - | - | - | - | - | - | - |
| Balance at the end of the reporting period | - | - | 35 | 14,69,391 | 477 | 8,893 | 1,86,253 | 12,92,543 |

B. Other Equity As on 31.03.2022

| Particulars | Equity | Share | Reserves and Surplus | Total |
|-------------|--------|-------|----------------------|-------|
|-------------|--------|-------|----------------------|-------|

| | component of compound financial instruments | applicati on money pending allotment | Special Reserve | Securitie s Premium Reserve | Shareforefit ure Account | Statutor y Reserve Fund | Retained Earnings | |
|---|---|--------------------------------------|-----------------|-----------------------------|--------------------------|-------------------------|----------------------|------------------|
| Balance at the beginning of the reporting period | - | - | 35 | 14,69,391 | 477 | 6,950 | - 1,93,296 | 12,83,557 |
| Current Year | - | - | - | - | - | - | - | - |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - |
| Restated balance at the beginning of the reporting period | - | - | - | - | - | - | - | - |
| Total Comprehensive Income for the year | - | - | - | - | - | - | 3,173 | 3,173 |
| Dividends | - | - | - | - | - | - | - | - |
| Transfer to RDD Statutory Reserve | - | - | - | - | - | - | 65 | 65 |
| Transfer to retained earnings | - | - | - | - | - | 793 | - | 793 |
| Transfer to Statutory Reserve Fund | - | - | - | - | - | - | -793 | -793 |
| Balance at the end of the reporting period | - | - | 35 | 14,69,391 | 477 | 7,744 | - 1,90,851 | 12,86,795 |

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Notes to Balance Sheet as at 31st March, 2023

(Amount in '000s)

| Note No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
|----------|--|------------------------|------------------------|
| 2 | Cash and Cash Equivalents | | |
| | Balances With Banks | 447 | 24,281 |
| | Cheques, Drafts on hand | - | - |
| | Cash on hand | 4 | 211 |
| | Others Cash and Cash Equivalents | | - |
| | TOTAL | 451 | 24,492 |
| 5 | Other Non- Financial Assets | | |
| | Amount Receivable from Tax Authorities | 32,155 | 26,220 |
| | Security Deposits | 400 | 400 |
| | TOTAL | 32,555 | 26,620 |
| 7 | Provisions | | |
| | Income Tax Provision | 1,749 | 1,115 |
| | Provision for Standard Assets | 5,685 | 5,374 |
| | TOTAL | 7,434 | 6,488 |
| 8 | Other non-financial liabilities | | |
| | Statutory Dues - TDS Payable | 667 | 461 |
| | TOTAL | 667 | 461 |

INDIAN INFOTECH AND SOFTWARE LIMITED
CIN: L45201DL1996PLC193957
Notes to Balance Sheet as at 31st March, 2023
(Amount in '000s)
Note No.3: Loans Given

| Particulars | 31-03-2023 | | | | 31-03-2022 | | | |
|---|------------------|------------------------------------|------------------------|---|------------------|------------------------------------|------------------------|---|
| | Amortised cost | At Fair Value | | | Amortised cost | At Fair Value | | |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |
| (A) | | | | | | | | |
| (i) Bills Purchased and Bills Discounted | - | - | - | - | - | - | - | - |
| (ii) Loans repayable on Demand | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| (iii) Term Loans | - | - | - | - | - | - | - | - |
| (iv) Leasing | - | - | - | - | - | - | - | - |
| (v) Factoring | - | - | - | - | - | - | - | - |
| (vi) Others (to be specified) | - | - | - | - | - | - | - | - |
| Total (A) - Gross | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - |
| Total (A) - Net | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| (B) | | | | | | | | |
| (i) Secured by tangible assets | - | - | - | - | - | - | - | - |
| (ii) Secured by intangible assets | - | - | - | - | - | - | - | - |
| (iii) Covered by Bank/Government Guarantees | - | - | - | - | - | - | - | - |
| (iv) Unsecured | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Total (B)- Gross | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - |
| Total (B)- Net | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| (C) | | | | | | | | |
| Net C (i) Loans in India | | | | | | | | |
| (i) Public Sector | - | - | - | - | - | - | - | - |
| (ii) Private Sector | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Total C(i) Gross | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - |
| Total C(i) Net | 22,74,066 | - | - | - | 21,49,491 | - | - | - |
| Net C (ii) Loans Outside India | | | | | | | | |
| Less: Impairment loss allowance | - | - | - | - | - | - | - | - |
| Total C(ii) Net | - | - | - | - | - | - | - | - |
| Total C (i) and (ii) Net | 22,74,066 | - | - | - | 21,49,491 | - | - | - |

INDIAN INFOTECH AND SOFTWARE LIMITED

CIN: L45201DL1996PLC193957

Notes to Balance Sheet as at 31st March, 2023

(Amount in '000s)

Note No.: 4 - Investments

| Particulars | 31-03-2023 | | | | | | | 31-03-2022 | | | | | | |
|--|----------------|------------------------------------|------------------------|---|-----------|--------|---------|----------------|------------------------------------|------------------------|---|------------|--------|------------|
| | Amortised cost | At Fair Value | | | Sub Total | Others | Total | Amortised cost | At Fair Value | | | Sub Total | Others | Total |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | | |
| | 1 | 2 | 3 | 4 | 5=2+3+4 | 6 | 7=1+5+6 | 8 | 9 | 10 | 11 | 12=9+10+11 | 13 | 14=8+12+13 |
| (A) | | | | | | | | | | | | | | |
| Mutual funds | | | | | - | | - | | | | | | | - |
| Government securities | | | | | - | | - | | | | | | | - |
| Other approved securities | | | | | - | | - | | | | | | | - |
| Debt securities | | | | | - | | - | | | | | | | - |
| Equity instruments | | | | | - | | - | | | | | | | - |
| Subsidiaries | | | | | - | | - | | | | | | | - |
| Associates | | | | | - | | - | | | | | | | - |
| Joint Ventures | | | | | - | | - | | | | | | | - |
| Other Equity Instruments not covered above | | | | | - | | - | | | | | | | - |
| Total - Gross (A) | - | | - | - | - | | - | - | | - | | - | | - |
| (B) | | | | | | | | | | | | | | |
| (i) Investments outside India | | | | | - | | - | | | | | | | - |
| (ii) Investments in India | | | | | - | | - | | | | | | | - |
| Total (B) | - | | - | - | - | | - | - | | - | | - | | - |
| (C) | | | | | | | | | | | | | | |
| Less: Allowance for Impairment loss C | | | | | | | | | | | | | | - |
| (D) | | | | | | | | | | | | | | |
| Total - Net [D=(A)-(C)] | | | | | | | | | | | | | | - |

* Other basis of measurement such as cost may be explained as a footnote

CIN: L45201DL1996PLC193957
 Notes to Balance Sheet Balance Sheet as at 31st March, 2023

(Amount in '000s)

| Particulars | 31-03-2023 | | | | 31-03-2022 | | | |
|---|----------------|------------------------------------|------------------------|---|----------------|------------------------------------|------------------------|---|
| | Amortised cost | At Fair Value | | | Amortised cost | At Fair Value | | |
| | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss | | Through Other Comprehensive Income | Through profit or loss | Designated at fair value through profit or loss |
| (A) | | | | | | | | |
| (a) : Term Loans | | | | | | | | |
| (i) From Banks | - | - | - | - | - | - | - | - |
| (ii) From Other Parties | - | - | - | - | - | - | - | - |
| (b) : Deferred Payment Liabilities | - | - | - | - | - | - | - | - |
| (c) : Loans from Related Parties | - | - | - | - | - | - | - | - |
| (d) : Finance Lease obligations | - | - | - | - | - | - | - | - |
| (e) : Liability Component of Compound Financial Instruments | - | - | - | - | - | - | - | - |
| (f) : Loans Repayable on Demand | | | | | | | | |
| (i) From Banks | - | - | - | - | - | - | - | - |
| (ii) From Other Parties | 3,000 | - | - | - | 3,000 | - | - | - |
| (g) : Other Loans | - | - | - | - | - | - | - | - |
| Total (A) | 3,000 | - | - | - | 3,000 | - | - | - |
| (B) | | | | | | | | |
| Borrowings in India | 3,000 | - | - | - | 3,000 | - | - | - |
| Borrowings Outside India | - | - | - | - | - | - | - | - |
| Total (B) - Net | 3,000 | - | - | - | 3,000 | - | - | - |
| (C) | | | | | | | | |
| (i) Secured by tangible assets | - | - | - | - | - | - | - | - |
| (ii) Secured by intangible assets | - | - | - | - | - | - | - | - |
| (iii) Covered by Bank/Government Guarantees | - | - | - | - | - | - | - | - |
| Total Secured | - | - | - | - | - | - | - | - |
| (iv) Unsecured | 3,000 | - | - | - | 3,000 | - | - | - |
| Total C | 3,000 | - | - | - | 3,000 | - | - | - |
| (D) | | | | | | | | |
| Net D (i) Loans in India | | | | | | | | |
| (i) Public Sector | - | - | - | - | - | - | - | - |
| (ii) Private Sector | 3,000 | - | - | - | 3,000 | - | - | - |
| Total D(i) | 3,000 | - | - | - | 3,000 | - | - | - |
| Net D (ii) Loans Outside India | - | - | - | - | - | - | - | - |
| Total D (i) and (ii) | 3,000 | - | - | - | 3,000 | - | - | - |

INDIAN INFOTECH AND SOFTWARE LIMITED

CIN: L45201DL1996PLC193957

Notes to Balance Sheet as at 31st March, 2023

| Note No. | Particulars | As at 31st March, 2023 | | As at 31st March, 2023 | |
|----------|--|------------------------------|---------------------|------------------------------|---------------------|
| | | No of Shares | Amount ('000s) | No of Shares | Amount ('000s) |
| 9 | Equity Share capital | | | | |
| | <i>Authorised Share Capital</i> | | | | |
| | 1,01,00,00,000 Equity Shares of Rs. 1 each | 1,01,00,00,000 | 10,10,000 | 1,01,00,00,000 | 10,10,000 |
| | | 1,01,00,00,000 | 10,10,000 | 1,01,00,00,000 | 10,10,000 |
| | <i>Issued, Subscribed and Paid-Up Share Capital</i> | | | | |
| | 1,00,55,89,500 Equity Shares of Rs. 1 each | 1,00,55,89,500 | 10,05,590 | 1,00,55,89,500 | 10,05,590 |
| | | 1,00,55,89,500 | 10,05,590 | 1,00,55,89,500 | 10,05,590 |
| | a) Detail of shares held by the shareholders holding more than 5% of the aggregate shares in the Company | | | | |
| | Name of the Shareholder | As as 31st March 2023 | | As as 31st March 2022 | |
| | | No of Shares | % | No of Shares | % |
| | DHANVARSHA ADVISORY SERVICES PVT LTD. | 10,05,88,000 | 10.00% | 10,05,88,000 | 10002.89% |
| | MANASI COMMODITIES LLP | 4,40,00,000 | 4.38% | 4,40,00,000 | 4375.54% |
| | TASMSEEM COMMERCIAL LLP | 8,40,00,000 | 8.35% | 8,40,00,000 | 8353.31% |
| | GENEROSITY SHARE TRADING PVT LTD | 3,27,68,480 | 3.26% | 3,27,68,480 | 3258.63% |
| | TOTAL | 26,13,56,480 | 25.99% | 26,13,56,480 | 25990.37% |
| | b) Reconciliation of equity share capital | | | | |
| | Particulars | As at 31st March 2023 | | As at 31st March 2022 | |
| | | No. of Shares | Amount (Rs.) | No. of Shares | Amount (Rs.) |
| | At the beginning of the period | 1,00,55,89,500 | 1,00,55,89,500 | 1005589500 | 1005589500 |
| | Issued during the year | - | - | - | - |
| | Bought back during the period | - | - | - | - |
| | Outstanding at the end of the period | 1,00,55,89,500 | 1,00,55,89,500 | 1,00,55,89,500 | 1,00,55,89,500 |
| | c) Terms and rights attached to equity shares | | | | |
| | The Company has only one class of equity share having value of Re. 1 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. | | | | |

| (Amount in '000s) | | | |
|-------------------|--|------------------------|------------------------|
| Note No. | Particulars | As at 31st March, 2023 | As at 31st March, 2022 |
| 10 | Other Equity | | |
| | a) Securities Premium Reserve | 14,69,391 | 14,69,391 |
| | b) Statutory Reserve | - | - |
| | Balance as per last financial statements | 7,744 | 6,950 |
| | Add: Transferred from statement of Profit and Loss | 1,150 | 793 |
| | Closing balance | 8,893 | 7,744 |
| | c) Special Reserve | 35 | 35 |
| | d) Share Forfeiture Account | 477 | 477 |
| | e) Retained Earnings | | |
| | Balance as per last financial statements | -1,90,851 | -1,93,296 |
| | Profit/ (loss) for the year | 6,059 | 3,173 |
| | Add : RDD against Standard Assets | -311 | 65 |
| | Less : Deferred Tax Asset Written off | - | - |
| | Less: Transfer to statutory reserve | -1,150 | -793 |
| | Closing balance | -1,86,253 | -1,90,851 |
| | Total | 12,92,543 | 12,86,795 |

| INDIAN INFOTECH AND SOFTWARE LIMITED | | | |
|---|---|---------------------------------|---------------------------------|
| CIN: L45201DL1996PLC193957 | | | |
| Notes to Statement of Profit & Loss for the Year Ended 31st March, 2023 | | | |
| (Amount in '000s) | | | |
| Note No. | Particulars | For the Period ended 31/03/2023 | For the Period ended 31/03/2022 |
| 11 | Interest Income | | |
| | Interest Income on Loans | 97,713 | 98,119 |
| | Interest income from Investments | - | - |
| | Interest on deposit with Banks | - | - |
| | Other interest income | - | - |
| | Total | 97,713 | 98,119 |
| 12 | Employee Benefit Expenses | | |
| | Salaries and wages | 4,590 | 2,230 |
| | Contribution to provident and other funds | - | - |
| | Share Based Payments to employees | - | - |
| | Staff welfare expenses | - | - |
| | Total | 4,590 | 2,230 |
| 13 | Other Expenses | | |
| | Rent, taxes and energy costs | 853 | 655 |
| | Advertisement and publicity | 35 | 12 |
| | Auditor's fees and expenses | 236 | 51 |
| | Legal and Professional charges | 1,229 | 963 |
| | Annual Listing Fees | 194 | 4,120 |
| | Bank Charges | 2 | 1 |
| | RTA Charges | 2,220 | - |
| | ROC Fees | 2,551 | - |
| | Courier Expenses | 684 | - |
| | Loan Settlement Fees | 883 | - |
| | Other expenditure | 1,427 | 2,204 |
| | Sub-Total | 10,315 | 8,006 |
| | Payment to the auditors includes (net of service tax input credit, wherever applicable) | | |
| | As Auditors -For Statutory Audit | 118 | 51 |
| | -For Tax Audit | - | - |
| | -For Other Services | - | - |

NOTE NO. 14: RISK MANAGEMENT FRAMEWORK

(a) Introduction

As a financial institution, Company is exposed to various types of risks namely credit risk, liquidity risk, market risks, operational risk, strategic risk (including emerging & external risks) and compliance & reputation risk. We have adopted a holistic and data driven enterprise level risk management approach which includes monitoring both internal and external indicators.

We as an organization periodically adjust our strategy in cognizance with industry risk dynamics and emergence of new challenges and opportunities.

The purpose of risk management is the creation and protection of value. Company's risk management framework has been laid down with long term sustainability and value creation keeping in mind:

- Build profitable and sustainable business with conservative risk management approach.
- Have risk management as an integral part of the organization's business strategy.
- Undertake businesses that are well understood and within acceptable risk appetite.
- Manage the risks proactively across the organization.
- Adopt best risk management practices with resultant shareholder value creation and increased stakeholder confidence.
- Develop a strong risk culture across the organization.

The risk management practices of Company are compliant with ISO 31000:2018 which is the international standard for risk management that lays down principles, guidelines and framework for risk management in an organisation.

(b) Company's Risk Management Approach for handling various type of risks

i) Credit risk:

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk.

The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 1(L) to the financial statements.

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio:

Investments are reviewed for any fair valuation loss on periodically basis and necessary provision/fair valuation adjustments has been made based on the valuation carried by the management to the extent available sources, the management does not expect any investment counterparty to fail to meet its obligations.

Trade Receivable, Trade Payable, Short Term Borrowings and Short Term Loans and Advances balances are subject to confirmation and reconciliation

Ageing of Loans Given that were not impaired was as follows.

| Carrying amount | 31-Mar-23 | 31-Mar-22 |
|-------------------------------|------------------|------------------|
| Neither Past due nor impaired | 22,74,066 | 21,49,491 |
| Past due but not impaired | - | - |
| Past due more than 180 days | - | - |
| TOTAL | 22,74,066 | 21,49,491 |

ii) Market Risk

Market risk is risk due to change in market prices – e.g. interest rates, equity prices, foreign exchange rates and credit spreads, but not relating to changes in the obligor's/issuer's credit standing and will affect the Company's income or the value of its holdings of financial instruments. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable risk tolerances levels to ensure the solvency and minimum volatility while optimising the balance between profitability and managing associated risks.

Under Liquidity Risk Management (LRM) framework for the Company, ALCO sets up limits for each significant type of risk/aggregated risk with liquidity being a primary factor in determining the level of limits. The monitoring of risk limits defined as per ALM policy is done by ALCO on regular basis. The Company has Asset Liability Management (ALM) support Company prescribed by RBI which meets on regular basis to ensure internal controls and reviews the liquidity risk management of the Company.

iii) Operational Risk

Operational Risk has been defined as "The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events" "The risk of direct or indirect potential loss arising from a wide variety of causes associated with the Company's processes, personnel, systems, or from external factors other than strategic and reputation risk Management of operational risk forms an integral part of Company's enterprise wide risk management systems. The organisation thrives towards incremental improvements to its operational risk management framework to address the dynamic industry landscape. Clear strategies and oversight by the Board of Directors and senior management, a strong operational risk management culture, effective internal control and reporting and contingency planning are crucial elements of Company's operational risk management framework.

iv) Regulatory and Compliance Risk

Regulatory compliances are handled by Finance team, Treasury and Business teams in consultation with Company Compliance team. Statutory compliances are handled by Company Secretarial team, Administrative and people process related compliances are handled by Administration & HR departments.

Additionally, Risk team coordinates for Special Mention Accounts (SMA) and Fraud reporting in line with regulatory guidelines.

As per regulatory requirements, required policies are adopted, modified and rolled from time to time. Compliance to the defined policies is strictly adhered to.

(c) Liquidity Risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the Company's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the Company operates.

| Particulars | (Amount in '000s) | | | |
|--|---------------------|------------------|---------------------|------------------|
| | As at 31 March 2023 | | As at 31 March 2022 | |
| | Less than 1 year | More than 1 year | Less than 1 year | More than 1 year |
| Financial Liabilities - Current | | | | |
| i. Current Borrowings * | - | 30,00,000 | 30,00,000 | - |
| ii. Trade payables | 51,000 | - | 4,95,000 | - |
| Total | 51,000 | 30,00,000 | 34,95,000 | - |

Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTE NO. 15: FAIR VALUE MEASUREMENT
Financial instruments by category:

| Particulars | 31-Mar-23 | | | | Fair Value hierarchy | | | |
|---------------------------------|----------------|----------|------------------|------------------|----------------------|----------|------------------|------------------|
| | Carrying Value | | | Total | Level 1 | Level 2 | Level 3 | Total |
| | FVTPL | FVTOCI | Amortised Cost | | | | | |
| Financial Assets | | | | | | | | |
| (i) Investments | - | - | - | - | - | - | - | - |
| (ii) Trade Receivable | - | - | - | - | - | - | - | - |
| (iii) Cash and Cash Equivalents | - | - | 451 | 451 | - | - | 451 | 451 |
| (iv) Loans | - | - | 22,74,066 | 22,74,066 | - | - | 22,74,066 | 22,74,066 |
| TOTAL | - | - | 22,74,516 | 22,74,516 | - | - | 22,74,516 | 22,74,516 |
| Financial Liabilities | | | | | | | | |
| (i) Current Borrowings | - | - | 3,000 | 3,000 | - | - | 3,000 | 3,000 |
| (ii) Trade Payables | - | - | - | - | - | - | - | - |
| TOTAL | - | - | 3,000 | 3,000 | - | - | 3,000 | 3,000 |

| Particulars | 31-Mar-22 | | | | Fair Value hierarchy | | | |
|---------------------------------|----------------|----------|------------------|------------------|----------------------|----------|------------------|------------------|
| | Carrying Value | | | Total | Level 1 | Level 2 | Level 3 | Total |
| | FVTPL | FVTOCI | Amortised Cost | | | | | |
| Financial Assets | | | | | | | | |
| (i) Investments | - | - | - | - | - | - | - | - |
| (ii) Trade Receivable | - | - | - | - | - | - | - | - |
| (iii) Cash and Cash Equivalents | - | - | 24,492 | 24,492 | - | - | 24,492 | 24,492 |
| (iv) Loans | - | - | 21,49,491 | 21,49,491 | - | - | 21,49,491 | 21,49,491 |
| TOTAL | - | - | 21,73,983 | 21,73,983 | - | - | 21,73,983 | 21,73,983 |
| Financial Liabilities | | | | | | | | |
| (i) Current Borrowings | - | - | 3,000 | 3,000 | - | - | 3,000 | 3,000 |
| (ii) Trade Payables | - | - | - | - | - | - | - | - |
| TOTAL | - | - | 3,000 | 3,000 | - | - | 3,000 | 3,000 |

Q) Capital Management

The company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Company is based on management's judgement of the appropriate balance of key elements in order to meet its strategic and day-today needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets.

The management monitors the return on capital as well as the level of dividends to shareholders. The Company will take appropriate steps in order to

The accompanying notes are an integral part of fi 1-16

As per our Report of Even Date

For ADV & Associates

Chartered Accountants

Firm Regn. No. : 128045W

CA. Prakash Mandhaniya

Partner

Membership No. : 421679

UDIN: 23421679BGYAQF6340

Place: Mumbai

Date: 30th May 2023

**For and on behalf of the Board of INDIAN
INFOTECH AND SOFTWARE LIMITED**

Manish K Badola **Mushaid A. Khan**
Managing Director **Company Secretary**
DIN: 05016172 **PAN: BMLPK4089F**

Hemant Vadilal Modi
Executive Director & CFO
DIN:09630204 ,PAN-ANPPM7578P

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

Note No: 1

I) Corporate Information

M/s. Indian Infotech and Software Limited ("the Company") is a Systemically Important Non-Deposit Accepting Non-Banking Finance Company ("NBFC"), holding a Certificate of Registration from the Reserve Bank of India ("RBI") dated November 4, 2011. The Company is domiciled in India and incorporated under the Companies Act, 2013 and listed its equity share with BSE Limited.

II) Basis of Preparation

i) Compliance with Ind AS

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013 (the "Act") (as amended), other relevant provisions of the Act, guidelines issued by the Reserve Bank of India as applicable to an NBFCs and other accounting principles generally accepted in India. Any application guidance/clarifications/directions issued by RBI or other regulators are implemented as and when they are issued / applicable, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment. Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS required a change in the accounting policy hitherto in use. The financial statements were authorised for issue by the Board of Directors (BOD) on May 28, 2022.

ii) Presentation of Financial Statements

The Balance Sheet, Statement of Profit and Loss and Statement of Changes in Equity are prepared and presented in the format prescribed in the Division III of Schedule III of the Companies Act, 2013 (the 'Act'). The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS.

A summary of the significant accounting policies and other explanatory information is in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as specified under Section 133 of the Companies Act, 2013 (the 'Act') including applicable Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India.

Financial assets and financial liabilities are generally reported gross in the balance sheet. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event, the parties also intend to settle on a net basis.

III) Summary of significant accounting policies

A. Use of estimates

The preparation of the financial statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the

reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements.

B. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer which generally coincide with dispatch and is inclusive of Excise Duty, Sales Tax/VAT and GST, and Freight etc recovered thereon and net of discounts and sales returns.

Interest

Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

Interest income is recognised using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial asset.

Calculation of the EIR includes all fees received that are incremental and directly attributable to the acquisition of a financial asset.

Interest income is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortised cost of the financial asset before adjusting for any expected credit loss allowance). For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets {i.e. at the amortised cost of the financial asset after adjusting for any expected credit loss allowance (ECLs)}. The Company assesses the collectability of the interest on credit impaired assets at each reporting date. Based on the outcome of such assessment, the interest income accrued on credit impaired financial assets are either accounted for as income or written off as per the write off policy of the Company.

Dividend

Income from dividend on investment in equity shares and preference share of corporate bodies and units of mutual funds is accounted when the Company's right to receive dividend is established and it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. Dividend income on financial assets measured at fair value through profit and loss is presented under Dividend income and not as a part of Net gains/(losses) on fair value changes.

C. Property, Plant and Equipment

a) PPE

PPE acquired by the Company are reported at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Estimated cost of dismantling and removing the item and restoring the site on which its located does not arise for owned assets, for leased assets the same are borne by the lessee as per the lease agreement. The acquisition cost includes any cost attributable for bringing an asset to its working condition net of tax/duty credits availed, which comprises of purchase consideration and other directly attributable costs of bringing the assets to their working condition for their intended use. PPE is recognised when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent expenditure on PPE after its purchase is capitalized only if it is probable that the future economic benefits will flow to the enterprise and the cost of the item can be measured reliably.

b) Capital work-in-progress

PPE not ready for the intended use on the date of the Balance Sheet are disclosed as “capital work-in-progress” and carried at cost, comprising direct cost, related incidental expenses and attributable interest.

c) Other Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Administrative and other general overhead expenses that are specifically attributable to the acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets. Expenses on software support and maintenance are charged to the Statement of Profit and Loss during the year in which such costs are incurred.

d) Intangible assets under development

Intangible assets not ready for the intended use on the date of Balance Sheet are disclosed as “Intangible assets under development”.

e) Depreciation and Amortisation

Depreciable amount for tangible property, plant and equipment is the cost of an asset, or other amount substituted for cost, less its estimated residual value. The residual value of each asset given on Operating lease is determined at the time of recording of the lease asset. If the residual value of the Operating lease asset is higher than 5%, the Company has a justification in place for considering the same.

Depreciation on tangible property, plant and equipment deployed for own use has been provided

on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act,

2013 except in respect of buildings, computer equipment, electrical installation and equipment and vehicles, in whose case the life of the assets has been assessed based on the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, etc.

Depreciation on tangible property, plant and equipment deployed on operating lease has been provided on the straight-line method over the primary lease period of the asset. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end with the effect of any change in the estimates of useful life/residual value is accounted on prospective basis. Depreciation for additions to/deductions from

owned assets is calculated pro rata to the remaining period of use. Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life. All capital assets with individual value less than Rs. 5,000 are depreciated fully in the year in which they are purchased. Purchased software / licenses are amortised over the estimated useful life during which the benefits are expected to accrue, while Goodwill if any is tested for impairment at each Balance Sheet date. The method of amortisation and useful life are reviewed at the end of each accounting year with the effect of any changes in the estimate being accounted for on a prospective basis. Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods to allocate the asset's revised carrying amount over its remaining useful life.

Estimated useful life considered by the Company are:

| Asset | Estimated Useful Life |
|------------------------|------------------------------|
| Leasehold Improvements | As per lease period |
| Construction Equipment | 2 to 13.5 years |
| Furniture and Fixtures | Owned: 10 years |
| Computer Equipment | Owned: 3 to 4 years |
| Office Equipment | Owned: 5 years |
| Vehicles | Owned: 4 years |
| Buildings | Owned: 1 to 10 years |
| Plant & Machinery | 25 years |
| Software Licenses | Owned: 10 years |

In

case of leased assets, useful life is considered as per the lease period.

f) Investment property

Properties held to earn rentals and/or capital appreciation are classified as Investment properties and measured and reported at cost, including transaction costs. Subsequent to initial recognition its measured at cost less accumulated depreciation and accumulated impairment losses, if any. When the use of an existing property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on de-recognition of property is recognised in the Statement of Profit and Loss in the same period.

g) Impairment of assets

Upon an observed trigger or at the end of each accounting reporting period, the Company reviews the carrying amounts of its PPE, investment property and intangible asset to determine whether there is any indication that the asset have suffered an impairment loss. If such indication exists, the PPE, investment property and intangible assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If recoverable amount of an asset is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset is reduced to its recoverable amount.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed

the carrying amount that would have been determined had no impairment loss is recognised for the asset in prior years. A reversal of an impairment loss is recognized immediately in the Statement of Profit and Loss.

h) De-recognition of property, plant and equipment and intangible asset

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss. An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Statement of Profit and Loss.

D. Inventories

Inventories are valued at lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

In determining the cost of raw materials, packing materials, stock-in-trade, stores, spares, FIFO cost method is used. Cost of inventory comprises of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of Completion and estimated costs necessary to make the sale.

E. Investment:

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Non-current investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

Transition to Ind AS

The Company has elected to measure its investments in subsidiaries at its previous GAAP carrying values which shall be the deemed cost as at the date of transition.

F. Foreign currency transaction

Transactions in currencies other than the Company's functional currency are recorded on initial recognition using the exchange rate at the transaction date. At each Balance Sheet date, foreign currency monetary items are reported at the rates prevailing at the year end. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Functional currency of the Company and foreign operations has been determined based on the primary economic environment in which the Company and its foreign operations operate considering the currency in which funds are generated, spent and retained.

Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in the Statement of Profit and Loss in the period in which they arise.

G. Leases

Asset given on lease:

Leases are classified as operating lease where significant portion of risks and reward of ownership of assets acquired under lease is retained by the lessor. Leases of assets under which substantially all of the risks and rewards of ownership are effectively retained by the lessee are classified as finance lease.

Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the internal rate of return. The principal amount received reduces the net investment in the lease and interest is recognised as revenue.

Lease rental - under operating leases (excluding amount for services such as insurance and maintenance) are recognised on a straight-line basis over the lease term, except for increase in line with expected inflationary cost increases.

Asset taken on lease:

The Company presents right-of-use assets and lease liabilities separately on the face of the Balance sheet. Lease payments (including interest) have been classified as financing cashflows. The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and accumulated impairment loss, if any, and adjusted for certain re-measurements of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date to the end of the lease term. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss. When a right-of-use asset meets the definition of investment property, it is presented in investment property.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payment made. The carrying amount of lease liability is remeasured to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. A change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right of use assets recognised. The discounted rate is generally based on incremental borrowing rate specific to the lease being evaluated.

H. Income Tax

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred Income taxes reflect the impact of timing differences between taxable income and accounting Income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain as the case may be that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period. i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

I. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories: those to be measured subsequently at fair value (either through other comprehensive income, or through

profit or loss), and those measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through the Statement of Profit and Loss profit or loss are expensed in the Statement of Profit and Loss.

For subsequent measurement, the Company classifies a financial asset in accordance with the below criteria:

- i) The Company's business model for managing the Financial Asset, and
- ii) The contractual cash flow characteristics of the Financial Asset.

Based on the above criteria, there are three measurement categories into which the Company classifies its Financial Assets:

Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through other comprehensive income (FVTOCI):

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognized in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other expenses or other incomes, as applicable. Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit and loss:

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit and loss within other expenses or other incomes, as applicable in the period in which it arises. Interest income from these financial assets is included

in other income.

(iii) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses (ECL) associated with its assets carried at amortized cost or FVTOCI. The impairment methodology applied on the above assets depends on whether there has been a significant increase in credit risk.

For trade receivables and lease receivables, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

(iv) Derecognition of financial assets

A financial asset (or, where applicable, a part of financial assets or part of a group of similar financial assets) is derecognized (i.e. removed from the Company's balance sheet) when any of the following occurs:

- i. The contractual rights to cash flow from the financial assets expires,
- ii. The Company transfers its contractual rights to receive cash flows of the financial assets and has substantially transferred all the risk and reward of ownership of the financial assets,
- iii. The Company retains the contractual rights to receive cash flow but assumes a contractual obligation to pay the cash flow without material delay to one or more recipients under a 'pass-through' arrangement (thereby substantially transferring all the risk and reward of ownership of the financial assets);
- iv. The Company neither transfer nor retains substantially all risk and reward of ownership and does not retain control over the financial assets.

In case where Company has neither transferred nor retained substantially all of the risks and rewards of the financial assets but retains control of the financial assets. The Company continues to recognize such financial assets to the extent of its continuing involvements in the financial assets. In that case, the company also recognizes an associated liability. The Financial asset and the associated liability are measured on that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset, (except as mentioned in ii above for financial assets measured at FVTOCI) the difference between the carrying amount and the consideration received is recognized in the statements of Profit and Loss.

Financial liabilities

(i) Measurement:

Financial liabilities are initially recognized at fair value, reduced by transaction costs (in case of financial liability not at fair value through profit or loss), that are directly attributable to the issue of financial liability. After initial recognition, financial liabilities are measured at amortized cost using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash outflow (including all fees paid, transaction cost, and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. At the time of initial recognition, there is no financial liability irrevocably designated as measured at fair value through profit or loss.

(ii) Derecognition:

A financial liability is derecognized when the obligation under the liability is discharged or cancelled

or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Derivative Financial Instrument

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain/loss is recognised in the statement of profit and loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedge relationship.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with its floating rate borrowings arising from changes in interest rates and exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the other equity under 'effective portion of cash flows hedges'. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedge relationships. The change in fair value of the forward element of the forward exchange contracts ('forward points') is separately accounted for as cost of hedging and recognised separately within equity.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

Cash, Cash equivalents and bank balances

Cash, Cash equivalents and bank balances include fixed deposits, (with an original maturity of three

months or less from the date of placement), margin money deposits, and earmarked balances with banks are carried at amortised cost. Short term and liquid investments which are not subject to more than insignificant risk of change in value, are -included as part of cash and cash equivalents.

J. Segment Reporting

The Company's main business is financing by way of loans for retail and corporate borrowers in India. The Company's operating segments consist of one segment i.e., "Financing Activity". All other activities of the Company revolve around the main businesses. This in the context of Ind AS 108 – operating segments reporting are considered to constitute reportable segment. The Chief Operating Decision Maker (CODM) of the Company is the Managing Director along with the Board of Directors in the operating segment. Operating segment disclosures are consistent with the information reviewed by the CODM.

An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components, and for which discrete financial information is available. Accordingly, all operating segment's operating results of the Company are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segments and assess their performance.

K. Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are recognised when The Holding Company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, The Holding Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the Statement of Profit and Loss net of any reimbursement.

Contingent assets/liabilities

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Holding Company or; present obligation that arises from past events where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability are disclosed as contingent liability and not provided for. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are not recognised in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

L. Borrowing Cost

Borrowing costs include interest expense calculated using the EIR on respective financial instruments measured at amortised cost, finance charges in respect of assets acquired on finance lease and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows through the expected life of the financial instrument to the gross carrying amount of the financial liability.

Calculation of the EIR includes all fees paid that are incremental and directly attributable to the issue of a financial liability.

While computing the capitalisation rate for funds borrowed generally, an entity should exclude borrowing costs applicable to borrowings made specifically for obtaining a qualifying asset, only until the asset is ready for its intended use or sale. Borrowing costs (related to specific borrowings) that remain outstanding after the related qualifying asset is ready for intended use or for sale would

subsequently be considered as part of the general borrowing costs of the entity.

M. Earnings per Share

Basic earnings per share have been computed by dividing net income attributable to ordinary equity holders by the weighted average number of shares outstanding during the year. Partly paid-up equity share is included as fully paid equivalent according to the fraction paid up.

Diluted earnings per share have been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

N. Other comprehensive income Under Ind AS

All items of income and expense recognised in a period should be included in profit or loss for the period unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and fair value gains or (losses) on FVTOCI. The concept of other comprehensive income did not exist under previous GAAP.

S. Employee benefits

Defined Contribution benefits include superannuation fund.

Defined Employee benefits include gratuity fund, provident fund compensated absences and long service awards.

Defined contribution plans

The Company's contribution to superannuation fund is considered as defined contribution plan and is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

Defined benefit plans

For defined benefit plans in the form of gratuity, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. As per Ind AS 19, the service cost and the net interest cost are charged to the Statement of Profit and Loss. Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. Past service

cost is recognised immediately to the extent that the benefits are already vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the reporting period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled. Long term service awards are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date.

The obligation is measured on the basis of actuarial valuation using Projected unit credit method and remeasurements gains/ losses are recognised in P&L in the period in which they arise.

Share based payment transaction

The stock options of the Company, granted to employees pursuant to the Company's Stock Options Schemes, are measured at the fair value of the options at the grant date as per Black and Scholes model. The fair value of the options is treated as discount and accounted as employee compensation cost, with a corresponding increase in other equity, over the vesting period on a straight-line basis. The amount recognised as expense in each year is arrived at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense, with a corresponding increase in other equity, in respect of such grant is transferred to the General reserve within other equity.

T. Events after reporting date

Where events occurring after the balance sheet provide evidence of condition that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

U. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for

recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

The Company has a policy to make impairment provision at one third of the value of the Asset for each year upon completion of three years up to the end of five years based on the past observed pattern of recoveries. Losses on initial classification as Held for sale and subsequent gains & losses on remeasurement are recognised in Statement of Profit and loss. Once classified as Held for sale, the assets are no longer amortised or depreciated.

V. Fair Value

The Company measure financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs)

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3- Inputs that are unobservable for the asset or liability.

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

W. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- i. changes during the period in operating receivables and payables transactions of a non-cash nature,
- ii. non-cash items such as depreciation, Impairment, deferred taxes, unrealised foreign currency gains and losses, and undistributed profits of associates and joint ventures; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

X. Recent Amendments

The following amendments to standards have been issued and will be effective from April 01, 2022. The Company is evaluating the requirements of these standards, improvements and amendments and has not yet determined the impact on the financial statements.

- i. Indian Accounting Standard (Ind AS) 103 – Business Combinations – Qualifications prescribed for recognition of the identifiable assets acquired and liabilities assumed, as part of applying the acquisition method – should meet the definition of assets and liabilities in the Conceptual Framework for Financial Reporting under Ind AS (Conceptual Framework) issued by the ICAI at the acquisition date. Modification to the exceptions to recognition principle relating to contingent liabilities and contingent assets acquired in a business combination at the acquisition date.
- ii. Indian Accounting Standard (Ind AS) 109 – Financial Instruments – Modification in accounting treatment of certain costs incurred on derecognition of financial liabilities.
- iii. Indian Accounting Standard (Ind AS) 16 - Property, Plant and Equipment – Modification in treatment of excess of net sale proceeds of items produced over the cost of testing as part of cost of an item of property, plant, and equipment.
- iv. Indian Accounting Standard (Ind AS) 37 - Provisions, Contingent Liabilities and Contingent Assets – Modifications in application of recognition and measurement principles relating to onerous contracts.

Y. NOTES FORMING PART OF ACCOUNTS

1. No contract on capital account remains to be executed.
2. No Contingent Liability as on 31.03.2023
3. The amount of Exchange difference (Net) debited to the profit & Loss Account for the Year is NIL
4. The balances appearing under Sundry Debtors, Sundry Creditors Advances to Suppliers and others are subject to confirmation.
5. The Loans & Advances are repayable on Demand, hence they are classified as Short-term Loans & Advances and not taken at Present Value of the Loan.
6. The Loans & Liabilities pertaining to the Company are Repayable on Demand, hence they are classified as Short-term Borrowing and not taken at the Present Value of the Loan.
7. Details of remuneration to Managing Director and Whole Time Director

| Particulars | Year Ended 31/03/23 | Year Ended 31/03/22 |
|-----------------------|---------------------|---------------------|
| Director remuneration | Nil | Nil |
| Sitting Fees | Nil | Nil |
| Total | Nil | Nil |

8. The company has not received information from suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006 and hence the disclosures, if any, relating to amount unpaid as at the year end together with interest paid/payable and other disclosures required to be made U/s.22 of the above Act is have not been given.
9. In determining Earning per share as per Ind AS - 33, the Company has considered net profit after tax. The Number of Shares used for determining basic EPS is the total Number of shares issued & fully paid up as at 31st March, 2023.

| Reconciliation of number of shares | | |
|---|----------------|----------------|
| Equity share Capital | No. of Shares | Amount |
| Share at the beginning of the year | 1,00,55,89,500 | 1,00,55,89,500 |
| Add: Share issued during the year | - | - |
| Less: Buy back of share | - | - |
| Outstanding shares at the year end | 1,00,55,89,500 | 1,00,55,89,500 |
| EPS Working | FY 2022-23 | FY 2021-22 |
| Basic and diluted earnings per share in rupees (Face value - Rs. 1 per share) | 0.006 | 0.003 |
| Profit after tax as per statement of profit/(loss) | 6,059.27 | 3,172.68 |
| Weighted average number of equity share outstanding during the year | 1,00,55,89,500 | 1,00,55,89,500 |

10. The Cash Flow Statement As per Ind AS 7 is as per Annexure.

11. No disclosure is required under Ind AS-105 on "Discontinuing Operations" issued by the Institute of Chartered Accountants of India as the company has not discontinued any line of its activity/product line during the year.

12. Deferred Tax Asset / Deferred Tax Liability: NIL

13. RELATED PARTY TRANSACTIONS:

1. Related Parties particulars pursuant to "Ind Accounting Standard - 24"

a) LIST OF RELATED PARTIES:

| Name of related parties | Nature of relationship | Transaction entered during the year |
|-------------------------|--------------------------|-------------------------------------|
| MANISH KUMAR BADOLA | Key Managerial Personnel | 7,30,000 |
| HARISH SINGH RAO | | No |
| SANDEEP KUMAR SAHU | | 75,000 |
| AKSHA BIHANI | | No |
| VINAYKUMAR K YADAV | | |
| HEMANT VADILAL MODI | | 4,80,000 |
| MUSHAHID AHMED KHAN | | 3,00,000 |

14. Figures of the previous year have been regrouped and reclassified wherever necessary to confirm to the current year's classification.

**SECTION VI – FINANCIAL INFORMATION (ANNEXURE -B)
FINANCIAL STATEMENTS THE QUARTER AND HALF YEAR ENDING SEPTEMBER 30, 2023**

Independent Auditor’s Review Report on the Quarterly and Year to Date Unaudited Financial Results of the Company Pursuant to the Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Indian Infotech and Software Limited**

1. We have reviewed the accompanying statement of unaudited financial results of **Indian Infotech and Software Limited (the “Company”)**, for the Quarter ended 30th September, 2023 and the year to date result for the period 01st April to 30th September 2023 (“the Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to issue a report on the Standalone financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of \ company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. Other Matter

While conducting review, Loans and Advances are subject to confirmation and Revenue from interest income is taken on accrual basis.

For and on behalf of
ADV & Associates
Chartered Accountants
FRN: 128045W

Sd/-
Prakash Mandhaniya
Partner
Membership No. 421679
Date: 28.10.2022
Place: Mumbai
UDIN: 23421679BGYARP9542



| INDIAN INFOTECH AND SOFTWARE LIMITED | | | | | | | | |
|---|--|---------------|---------------|---------------|-----------------|---------------|----------------|----------------|
| CIN-L70100MH1982PLC027198 | | | | | | | | |
| Regd. Address: Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc Ltd, New Link Road, Andheri West, Mumbai - 400 053 | | | | | | | | |
| Email ID. indianinfotechsoftware@yahoo.com | | | | | | | | |
| UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30 SEPTEMBER, 2023 | | | | | | | | |
| Sr. No. | PARTICULARS | Quarter Ended | | | Half Year Ended | | Year Ended | |
| | | 30.09.2023 | 30.06.2023 | 30.09.2022 | 30.09.2023 | 30.09.2022 | 31.03.2023 | 31.03.2022 |
| | | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited | Audited | Audited |
| (In Lakhs) | | | | | | | | |
| 1 | Income | | | | | | | |
| | Revenue from operations | | | | | | | |
| | (i) Interest Income | 490.00 | 490.00 | 230.00 | 980.00 | 460.00 | 977.13 | 981.19 |
| | (ii) Dividend Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.11 |
| | (iii) Rental Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (iv) Fees and commission Income | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (v) Net gain on fair value changes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Net gain on derecognition of financial instruments under amortised cost category | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (vi) Sale of Shares | 115.28 | 0.00 | 0.00 | 115.28 | 0.00 | 3729.00 | 4557.93 |
| | (vii) Sale of services | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (ix) Other revenue from operations | | | | | | | |
| | 1 Other income | | | | | | | |
| | Total other revenue from operations | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Total Revenue From Operations | 605.28 | 490.00 | 230.00 | 1095.28 | 460.00 | 4706.13 | 5539.23 |
| | Other income | | | | | | | |
| | Total income | 605.28 | 490.00 | 230.00 | 1095.28 | 460.00 | 4706.13 | 5539.23 |
| 2 | Expenses | | | | | | | |
| | Cost of materials consumed | | | | | | | |
| | Purchases of Shares | 0.12 | 0.00 | 0.00 | 0.12 | 0.00 | 3485.30 | 5394.00 |
| | Changes in inventories - Shares | 24.11 | 0.00 | 0.00 | 24.11 | 0.00 | 993.70 | 0.00 |
| | Employee benefit expense | 13.45 | 13.20 | 8.72 | 26.65 | 12.62 | 45.90 | 22.30 |
| | Finance costs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Depreciation, depletion and amortisation expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Fees and commission expense | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Net loss on fair value changes | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Net loss on derecognition of financial instruments under amortised cost category | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Impairment on financial instruments | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | (f) Other expenses | | | | | | | |
| | 1 Bad Debts | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | 2 Other Expenditure | 50.50 | 30.27 | 27.02 | 80.77 | 51.77 | 103.15 | 80.06 |
| | Total other expenses | 50.50 | 30.27 | 27.02 | 80.77 | 51.77 | 103.15 | 80.06 |
| | Total expenses | 88.18 | 43.47 | 35.74 | 131.66 | 64.39 | 4628.05 | 5496.36 |
| 3 | Total profit before exceptional items and tax | 517.10 | 446.53 | 194.26 | 963.62 | 395.61 | 78.08 | 42.87 |
| 4 | Exceptional items | | | | | | | |
| 5 | Total profit before tax | 517.10 | 446.53 | 194.26 | 963.62 | 395.61 | 78.08 | 42.87 |
| 7 | Tax expense | | | | | | | |
| 8 | Current tax | 130.45 | 112.00 | 0.00 | 242.45 | 0.00 | 17.49 | 11.15 |
| 9 | Deferred tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| | Tax of earlier years | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 10 | Total tax expenses | 130.45 | 112.00 | 0.00 | 242.45 | 0.00 | 17.49 | 11.15 |
| 11 | Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement | - | - | - | - | - | - | - |
| 14 | Net Profit Loss for the period from continuing operations | 386.65 | 334.53 | 194.26 | 721.17 | 395.61 | 60.59 | 31.72 |
| 15 | Profit (loss) from discontinued operations before tax | | | | | | | |
| 16 | Tax expense of discontinued operations | | | | | | | |
| 17 | Net profit (loss) from discontinued operation after tax | | | | | | | |
| 19 | Share of profit (loss) of associates and joint ventures accounted for using equity method | | | | | | | |
| 21 | Total profit (loss) for period | 386.65 | 334.53 | 194.26 | 721.17 | 395.61 | 60.59 | 31.72 |
| 22 | Other comprehensive income net of taxes | | | | | | | |
| 23 | Total Comprehensive Income for the period | 386.65 | 334.53 | 194.26 | 721.17 | 395.61 | 60.59 | 31.72 |
| 24 | Total profit or loss, attributable to | | | | | | | |
| | Profit or loss, attributable to owners of parent | | | | | | | |
| | Total profit or loss, attributable to non-controlling interests | | | | | | | |
| 25 | Total Comprehensive income for the period attributable to | | | | | | | |
| | Comprehensive income for the period attributable to owners of parent | | | | | | | |
| | Total comprehensive income for the period attributable to owners of parent non-controlling interests | | | | | | | |
| 26 | Details of equity share capital | | | | | | | |
| | Paid-up equity share capital | 10055.90 | 10055.90 | 10055.90 | 10055.90 | 10055.90 | 10055.90 | 10055.90 |
| | Face value of equity share capital | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 27 | Earnings per share | | | | | | | |
| | Earnings per equity share for continuing operations | | | | | | | |
| | Basic earnings per share from continuing operations | 0.0384 | 0.0333 | 0.0193 | 0.0717 | 0.0393 | 0.0060 | 0.0032 |
| | operations | 0.0384 | 0.0333 | 0.0193 | 0.0717 | 0.0393 | 0.0060 | 0.0032 |
| | Earnings per equity share for discontinued operations | | | | | | | |
| | Basic earnings per share from discontinued operations | | | | | | | |
| | Diluted earnings per share from discontinued operations | | | | | | | |
| | ii Earnings per equity share | | | | | | | |
| | Basic earnings per share | 0.0384 | 0.0333 | 0.0193 | 0.0717 | 0.0393 | 0.0060 | 0.0032 |
| | Diluted earnings per share | 0.0384 | 0.0333 | 0.0193 | 0.0717 | 0.0393 | 0.0060 | 0.0032 |

Notes

- 1 The above Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 28/10/2023.
- 2 Results for the half year ended September 30, 2023 are in compliance with Indian Accounting Standards (Ind AS) in terms of SEBI's circular bearing no CIR/CFD/FAC/62/2015 dated July 5, 2016.
- 3 The Company operate in single reportable segment only in accordance with Accounting Standard 'Segment Reporting' as prescribed under Companies (Accounting Standards) Rules, 2006
- 4 A substantial number of Companies and entities have not yet provided loan confirmations as well as confirmation of ledgers and interest. Therefore, interest income is taken on accrual basis only. Additionally, a substantial number of Companies and entities have not yet deposited TDS in favour of the Company and therefore, the Company has not considered such TDS in the statement of account.
- 5 This Result and Annual Report is available on BSE website www.bseindia.com
- 6 Investor Complaint for the year Ended 30/09/2023. Opening - 0, Received -0, Resolved -0,Closing - 0.
- 7 wherever necessary.

FOR INDIAN INFOTECH & SOFTWARE LIMITED
SD/-

MANISH KUMAR BADOLA
DIRECTOR
DIN:05016172

MUMBAI
28-10-2023



INDIAN INFOTECH AND SOFTWARE LIMITED

CIN-L70100MH1982PLC027198

Regd. Address: Office No. 110, 1st Floor, Golden Chamber Pre Co-Op Soc Ltd, New Link Road, Andheri West, Mumbai - 400 053

Email ID. indianinfotechsoftware@yahoo.com

Statement of Assests and Liabilities as at September 2023

Rs. In Lakhs

| Sr. No. | Particulars | As at 30th Sep 2023 | As at 30th Sep 2022 | As at 31st March 2023 | As at 31st March, 2022 |
|----------|---|---------------------|---------------------|-----------------------|------------------------|
| 1 | ASSETS | | | | |
| | Financial Assets | | | | |
| (a) | Cash and cash equivalents | 101.77 | 2.26 | 4.52 | 244.93 |
| (b) | Bank Balances other than above (a) | - | - | - | - |
| (c) | Derivative Financial Instruments | - | 1,017.81 | 24.11 | 1,017.81 |
| (d) | Receivables | | | | |
| | (i) Trade Receivables | - | - | - | - |
| | (ii) Other Receivables | - | - | - | - |
| (e) | Loans | 23,628.76 | 22,133.18 | 22,740.65 | 21,494.91 |
| (f) | Investments | - | - | - | - |
| (g) | Other Financial Assets | 325.55 | 266.20 | 325.55 | 266.20 |
| | Non Financial Assets | | | | |
| (a) | Current Tax Assets (Net) | - | - | - | - |
| (b) | Deffered Tax Assets (Net) | - | - | - | - |
| (c) | Investment Property | - | - | - | - |
| (d) | Property, Plant & Equipments | - | - | - | - |
| (e) | Intangible Assets Under Development | - | - | - | - |
| (f) | Goodwill | - | - | - | - |
| (g) | Other Intangible Assets | - | - | - | - |
| (h) | Right of Use Asset | - | - | - | - |
| (i) | Other Non Financial Asset | - | - | - | - |
| | TOTAL ASSETS | 24,056.09 | 23,419.46 | 23,094.83 | 23,023.85 |
| 1 | Financial Liabilities | | | | |
| (a) | Trade Payables | | | | |
| | (i) Total Outstanding Dues of Micro & Small Enterprises | - | - | - | - |
| | (ii) Total Outstanding dues of Creditors other than (i) | - | - | - | - |
| (b) | Other Payables | | | | |
| | (i) Total Outstanding Dues of Micro & Small Enterprises | - | - | - | - |
| | (ii) Total Outstanding dues of Creditors other than (i) | 0.13 | 0.51 | 2.49 | 0.51 |
| (c) | Debt Securities | - | - | - | - |
| (d) | Browwings (Other than Debt Securities) | 30.00 | 30.00 | 30.00 | 30.00 |
| (e) | Subordinated Liabilities | - | - | - | - |
| (f) | Lease Liability | - | - | - | - |
| (g) | Other Financial Liabilities | 6.67 | 4.61 | 6.67 | 4.61 |
| 2 | Non Financial Liabilities | | | | |
| (a) | Current Tax Liabilities (Net) | - | - | - | - |
| (b) | Provisions | 316.79 | 64.88 | 74.34 | 64.88 |
| (c) | Deffered Tax Liability (net) | - | - | - | - |
| (d) | Other Non Financial Liabilities | - | - | - | - |
| 3 | Equity | | | | |
| (a) | Share Capital | 10,055.90 | 10,055.90 | 10,055.90 | 10,055.90 |
| (b) | Other equity (Reserve & Surplus) | 13,646.60 | 13,263.56 | 12,925.43 | 12,867.95 |
| | TOTAL EQUITY AND LIABILITIES | 24,056.09 | 23,419.46 | 23,094.83 | 23,023.85 |

FOR INDIAN INFOTECH & SOFTWARE LIMITED

SD/-

MANISH KUMAR BADOLA
DIRECTOR
DIN:05016172

MUMBAI
28-10-2023

INDIAN INFOTECH & SOFTWARE LIMITED
Cash Flow Statement as on 30/09/2023

Rs. In Lakhs

| Particulars | For half year ended 30-09-2023 | For the year ended 30-09-2022 |
|--|--------------------------------|-------------------------------|
| Cash Flow from Operating Activities | | |
| Profit Before Tax | 963.62 | 395.61 |
| Adjustment For: | | |
| Depreciation, amortisation and impairment | - | - |
| Loss on Sale of Property, Plant & equipments | | |
| Fair Value Loss on Loan Asset | | |
| Net Fair Loss/(gain) on Financial Instruments | - | - |
| Impairment on Financial Instruments | - | - |
| Gain on Sale of Investment | - | - |
| Share Bases Payment to Employees | - | - |
| Operating Profit before Working Capital Changes | 963.62 | 395.61 |
| Changes in Working Capital | | |
| Decrease in Financial and Non Financial Assets | 21.74 | - |
| Increase in Financial and Non Financial Assets | - | - |
| Cash generated from Operations | | |
| Direct Taxes Paid | - | - |
| Loan Disbursed (Net of Repayments) | (888.11) | (638.28) |
| Net Cash Flow generated from Operating Activities A | 97.25 | (242.67) |
| B. Cash Flow from Investing Activities | | |
| Add: Inflow from Investing Activities | | |
| Proceed from Sale of Property, Plant & Equipment | - | - |
| Redemption in other bank balances in investing activities | - | - |
| Proceed from Sale of Investment (Net) | - | - |
| Less: Outflow from Investing Activities | | |
| Purchase of Property, Plant & Equipment | - | - |
| Investment in other bank balances in investing activities | - | - |
| Purchase of Investment (Net) | - | - |
| Net Cash Flow generated from Investing Activities B | - | - |
| C. Cash Flow from Financing Activities | | |
| Add: Inflow from Financing Activities | | |
| Proceed from issue of Share Capital including Share Premium | - | - |
| Proceed from issue of Preference Share Capital | - | - |
| Proceed from Borrowings | - | - |
| Less: Outflow from Financing Activities | | |
| Share Issue Expenses | - | - |
| Divident Paid | - | - |
| Repayment of Borrowings | - | - |
| Redemption of Prefrence Shares | - | - |
| Net Cash Flow generated from Financial Activities C | - | - |
| Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C) | 97.25 | (242.67) |
| Cash and Cash Equivalents-Opening Balance | 4.52 | 244.93 |
| Cash and Cash Equivalents-Closing Balance | 101.77 | 2.26 |

FOR INDIAN INFOTECH & SOFTWARE LIMITED

SD/-

MANISH KUMAR BADOLA

DIRECTOR

DIN:05016172

MUMBAI

28-10-2023

| Sr. | Ratios | Values |
|-----|---------------------------------------|--------|
| a) | Debt Service Coverage Ratio | - |
| b) | Interest Service Coverage Ratio | - |
| c) | Debt Equity Ratio | 0.13% |
| d) | Current Ratio | 26.90 |
| e) | Long term debt to working capital | - |
| f) | Bad debts to Account receivable ratio | - |
| g) | Current liability ratio | 36.80% |
| h) | Total debts to total assets | 0.13% |
| i) | Debtors turnover | - |
| j) | Inventory turnover | - |
| k) | Operating margin (%) | 87.98% |
| l) | Net profit margin (%) | 65.84% |