



LETTER OF OFFER
May 09th, 2024
For Eligible Equity Shareholders only



IFL ENTERPRISES LIMITED

Our Company was originally incorporated as "Sarthak Suppliers Private Limited" on January 23, 2009 as a Private Limited Company under the Companies Act, 1956, by the Registrar of Companies, Delhi and Haryana. However, subsequently, the name of our Company was changed from "Sarthak Suppliers Private Limited" to "IFL Enterprises Private Limited" and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 27, 2016. Further, our Company was converted into a public limited company and the name of the Company was changed to "IFL Enterprises Limited" on February 18, 2016 and a fresh Certificate of Incorporation consequently upon change of name was granted by the Registrar of Companies, Delhi and Haryana. For further details of change in name and registered office of our Company, please refer to "General Information" beginning on page 38 of this Letter of Offer.

Corporate Identity Number: L74110GJ2009PLC151201

Registered Office: Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015

Contact person: Mr. Rahul Pitaliya, Company Secretary and Compliance Officer

Telephone: + 91-7990080239 | **E-mail id:** IfIenterprise3@gmail.com | **Website:** www.iflenterprises.com

| | | |
|---|---|--|
| PROMOTER OF OUR COMPANY: MR. NISHANT SUBHASHCHANDRA GANDHI [^] | | |
| FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF IFL ENTERPRISES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY | | |
| NEITHER OUR COMPANY NOR OUR PROMOTER HAS BEEN DECLARED AS A WILFUL DEFAULTER OR A FRAUDULENT BORROWER BY THE RBI OR ANY OTHER GOVERNMENT AUTHORITY | | |
| <p>ISSUE OF UPTO 49,52,69,896 FULLY PAID UP EQUITY SHARES OF FACE VALUE OF ₹ 1 /- EACH OF OUR COMPANY (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ 1 /- PER EQUITY SHARE AGGREGATING TO ₹ 4952.69 /- LAKHS[#] ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 198 (ONE HUNDRED NINETY-EIGHT) EQUITY SHARE(S) FOR EVERY 100 (ONE HUNDRED) FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS MAY 17TH, 2024 (THE "ISSUE"). FOR FURTHER DETAILS, PLEASE REFER TO "TERMS OF THE ISSUE" BEGINNING ON PAGE 175 OF THIS LETTER OF OFFER.</p> <p>[#] Assuming full subscription.</p> | | |
| GENERAL RISKS | | |
| <p>Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors shall rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 19 of this Letter of Offer before making an investment in this Issue.</p> | | |
| ISSUER'S ABSOLUTE RESPONSIBILITY | | |
| <p>Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respects.</p> | | |
| LISTING | | |
| <p>The existing Equity Shares are listed on BSE Limited ("BSE") (the "Stock Exchange"). Our Company has received 'in-principle' approval from the BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide letter dated May 02nd, 2024. Our Company will also make application to the Stock Exchange to obtain their 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 purpose of this Issue, the Designated Stock Exchange is BSE Limited.</p> | | |
| REGISTRAR TO THE ISSUE | | |
|  Skyline Financial Services Private Limited D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 Telephone: 011-40450193/97 Email: admin@skylinerta.com , Website: www.skylinerta.com Investor grievance e-mail: investors@skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration No.: INR000003241 Validity of Registration: Permanent | | |
| ISSUE PROGRAMME | | |
| ISSUE OPENS ON | LAST DATE FOR ON MARKET RENUNCIATIONS* | ISSUE CLOSURES ON[#] |
| Monday, 27th May, 2024 | Thursday, 20th June, 2024 | Tuesday, 25th June, 2024 |

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

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

^ Our company has already filed an application with the BSE to reclassify its former promoter, Mr. Mukesh Sharma, to the public category; approval is still pending.

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

| | |
|--|-----|
| SECTION I : GENERAL..... | 1 |
| DEFINITIONS AND ABBREVIATIONS..... | 1 |
| NOTICE TO INVESTORS..... | 9 |
| PRESENTATION OF FINANCIAL AND OTHER INFORMATION..... | 12 |
| FORWARD LOOKING STATEMENTS..... | 14 |
| SUMMARY OF LETTER OF OFFER..... | 16 |
| SECTION II : RISK FACTORS..... | 20 |
| SECTION III : INTRODUCTION..... | 36 |
| THE ISSUE..... | 36 |
| GENERAL INFORMATION..... | 38 |
| CAPITAL STRUCTURE..... | 43 |
| OBJECTS OF THE ISSUE..... | 45 |
| STATEMENT OF SPECIAL TAX BENEFITS..... | 51 |
| SECTION IV : ABOUT THE COMPANY..... | 54 |
| INDUSTRY OVERVIEW..... | 54 |
| OUR BUSINESS..... | 76 |
| OUR MANAGEMENT..... | 79 |
| OUR PROMOTER..... | 85 |
| RELATED PARTY TRANSACTION..... | 88 |
| DIVIDEND POLICY..... | 89 |
| SECTION V : FINANCIAL INFORMATION..... | 90 |
| RESTATEMENT OF FINANCIAL STATEMENTS..... | 90 |
| STATEMENT OF CAPITALISATION..... | 152 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF..... | 153 |
| MARKET PRICE INFORMATION..... | 158 |
| SECTION VI : LEGAL AND OTHER INFORMATION..... | 160 |
| OUTSTANDING LITIGATIONS AND DEFAULTS..... | 160 |
| GOVERNMENT AND OTHER STATUTORY APPROVALS..... | 164 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES..... | 165 |
| SECTION VII : OFFERING INFORMATION..... | 173 |
| TERMS OF THE ISSUE..... | 173 |
| RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES..... | 197 |
| SECTION VIII : STATUTORY AND OTHER INFORMATION..... | 199 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION..... | 200 |
| DECLARATION..... | 201 |

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

The words and expressions used in this Letter of Offer but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI ICDR Regulations, the SCRA, the Depositories Act, Takeover Regulations, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "Statement of Special Tax Benefits" and "Financial Statements" beginning on pages 51 and 92 respectively of this Letter of Offer, shall have the meaning given to such terms in such sections.

Company and Industry Related Terms

| Term | Description |
|--|--|
| "Our Company" or "the Company" or "the Issuer" | IFL Enterprises Limited incorporated under the Companies Act 1956, with its Registered office situated at Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015. |
| "Articles of Association" or "Articles" | The articles of association of our Company, as amended from time to time |
| "Audit Committee" | The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") and Section 177 of the Companies Act, 2013. |
| "Board" or "Board of Directors" | The board of directors of our Company or a duly constituted committee thereof or its duly authorised individuals. |
| "Company Secretary and Compliance Officer" | Mr. Rahul Pitaliya, the Company Secretary and the Compliance Officer of our Company. |
| Directors | Directors on the Board, as may be appointed from time to time |
| Equity Shareholders | Holder(s) of Equity Share(s), from time to time |
| Equity Shares | Equity shares of face value of ₹1/- each of our Company |
| "Financial Information" | Collectively the Audited/Restated Financial Statements, unless otherwise specified in context thereof. |
| Independent Director | Independent directors on the Board, who are eligible to be appointed as independent directors under the provisions of the Companies Act, 2013 and the SEBI Listing Regulations. For details of the Independent Directors, see "Our Management" beginning on page 81 of this Letter of Offer. |
| Key Managerial Personnel | The key managerial personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations. |
| Materiality Policy | A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Letter of Offer. |
| Memorandum of Association or MOA | The memorandum of association of our Company, as amended from time to time. |
| Promoter | The promoter of our Company namely Mr. Nishant Subhashchandra Gandhi. |
| Promoter Group | The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. |
| Registered and Corporate Office | Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015 |
| Restated Financial | Our restated Ind AS summary statement of assets and liabilities as at December 31, |

| Term | Description |
|--------------------|---|
| Statements | 2023, March 31, 2023, March 31, 2022, and as at March 31, 2021, and restated Ind AS summary statement of profit and loss, restated Ind AS summary statement of changes in equity and restated Ind AS summary statement of cash flows for the year ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, together with the annexures, notes and other explanatory information thereon, derived from the annual audited financial statements as at and for year ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and restated in accordance with Section 26 of Part 1 of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on “Reports in Company Prospectuses (Revised 2019)” issued by the ICAI. |
| Statutory Auditors | M/s. Kapish Jain & Associates, Chartered Accountants |

Issue Related Terms

| Term | Description |
|--|---|
| 2009 ASBA Circular | The SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 |
| 2011 ASBA Circular | The SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 |
| 2020 ASBA Circular | The SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 |
| 2022 ASBA Circular | The SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 |
| "Abridged Letter of Offer" or "ALOF" | Abridged Letter of Offer to be sent to the Eligible Equity Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013 |
| Additional Rights Equity Shares / Additional Equity Shares | The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement |
| "Allotment", "Allot" or "Allotted" | Allotment of Equity Shares pursuant to the Issue |
| Allotment Account(s) | The account(s) opened with the Banker(s) to this Issue, into which the Application Money lying credit to the Escrow Account(s) and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013 |
| Allotment Account Bank(s) | Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Accounts will be opened, in this case being, ICICI Bank Limited. |
| Allotment Advice | The note or advice or intimation of Allotment, sent to each successful Investor who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange |
| Allotment Date | Date on which the Allotment is made pursuant to this Issue |
| Allottee(s) | Person(s) who is Allotted Equity Shares pursuant to Allotment |
| Applicant(s) or Investors | Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Equity Shares pursuant to the Issue in terms of this Letter of Offer |
| Application | Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price |
| Application Form | Unless the context otherwise requires, an application form or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue |
| Application Money | Aggregate amount payable at the time of application i.e. ₹ 1.00/- in respect of the Equity Shares applied for in the Issue at the Issue Price. |

| Term | Description |
|---|--|
| "Application Supported by Blocked Amount" or "ASBA" | Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with the SCSB |
| ASBA Account | Account maintained with the SCSB and specified in the Application Form or the plain paper Application by the Applicant for blocking the amount mentioned in the Application Form or the plain paper Application |
| ASBA Circulars | Collectively, SEBI circular bearing reference number SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular bearing reference number CIR/CFD/DIL/1/2011 dated April 29, 2011 and the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and SEBI circular bearing reference number SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022. |
| ASBA Bid | A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. |
| Banker(s) to the Issue | ICICI Bank, the Allotment Account Bank(s) to the Issue |
| Banker to the Issue Agreement | Agreement dated May 09 th , 2024 amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Equity Shares |
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this Issue, as described in " Terms of the Issue " beginning on page 175 of this Letter of Offer. |
| Consolidated Certificate | The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form. |
| "Controlling Branches" or "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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Designated Branches | Such branches of the SCSBs which shall collect the Application Form or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes |
| Designated Stock Exchange | BSE Limited |
| Depository(ies) | NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996. |
| Letter of Offer | This letter of offer dated May 09 th , 2024 filed with the Stock Exchanges |
| Eligible Equity Shareholder (s) | Holder(s) of the Equity Shares of our Company as on the Record Date |
| IEPF | Investor Education and Protection Fund |
| Investor(s) | Eligible Equity Shareholder(s) of our Company on the Record Date, May 17 th , 2024 and the Renouncee(s) |
| ISIN | International securities identification number of the Company being INE714U01024 |
| Issue / Rights Issue | Issue of up to 49,52,69,896 Equity Shares of face value of ₹1/- each of our Company for cash at a price of ₹ 1/- per Rights Equity Share not exceeding ₹ 49,52,69,898/- lakhs on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of 198 (One Hundred Ninety-Eight) Equity Share(s) for every 100 (One Hundred) Equity Shares held by the Eligible Equity Shareholders of our Company on the Record Date i.e. May 17 th , 2024. |
| Issue Closing Date | Tuesday, 25 th June, 2024 |
| Issue Opening Date | Monday, 27 th May, 2024 |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants can submit their applications, in accordance with the SEBI |

| Term | Description |
|--|---|
| | ICDR Regulations. |
| Issue Price | ₹ 1/- per Equity Share |
| Issue Proceeds or Gross Proceeds | Gross proceeds of the Issue |
| Issue Size | Amount aggregating up to ₹ 4952.69/- Lakhs [#] <i>#Assuming full subscription</i> |
| Letter of Offer | The Letter of Offer filed with the Stock Exchange |
| Listing Agreement | The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations |
| Fraudulent Borrower | Company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on fraudulent borrower issued by RBI |
| Multiple Application Forms | Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application |
| Net Proceeds | Issue Proceeds less the Issue related expenses. For further details, see " <i>Objects of the Issue</i> " beginning on page 45 of this Letter of Offer |
| Off Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off-market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws |
| On Market Renunciation | The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before Thursday, 20 th June, 2024 |
| "Qualified Institutional Buyers" or "QIBs" | 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 Eligible Equity Shareholders eligible to apply for Equity Shares, being May 17 th , 2024 |
| Refund Bank (s) | The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank |
| Registrar to the Issue / Registrar/ RTA | Skyline Financial Services Limited |
| Registrar Agreement | Agreement dated May 09 th , 2024 between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue |
| Renouncee (s) | Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders |
| Renunciation Period | The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e. Monday, 27 th May, 2024. Such period shall close on Thursday, 20 th June, 2024 in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date |
| RE ISIN | ISIN for Rights Entitlement i.e., INE714U20016 |
| Rights Entitlement(s) | The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity Shareholder on the Record Date, being 198 (One Hundred Ninety-eight) Rights Equity Shares for 100 (One Hundred) Equity Shares held by an eligible shareholder. The Rights Entitlements with a separate ISIN: INE714U20016 will be credited to your |

| Term | Description |
|---------------------------|---|
| | 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 Equity Shareholders. |
| SCSB(s) | Self-certified syndicate banks registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 |
| Stock Exchanges | Stock exchange where the Equity Shares are presently listed, being BSE. |
| Transfer Date | The date on which the Application Money blocked in the ASBA Account will be transferred to the Allotment Account(s) in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange |
| Wilful Defaulter | Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI |
| Working Day(s) | In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Delhi are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Delhi are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchanges, working day means all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI |

Conventional and General Terms/Abbreviations

| Term | Description |
|--------------------------------|--|
| "₹", "Rs. ", "Rupees" or "INR" | Indian Rupees |
| Adjusted loans and advances | Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company |
| AIF(s) | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| AUM | Assets under management |
| AY | Assessment year |
| BSE | BSE Limited |
| CAGR | Compound annual growth rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate identity number |
| Companies Act, 1956 | erstwhile Companies Act, 1956 along with the rules made thereunder |
| Companies Act, 2013 | Companies Act, 2013 along with the rules made thereunder |
| COVID-19 | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CRAR | Capital adequacy ratio/Capital to risk assets ratio |
| CrPC | Code of Criminal Procedure, 1973 |
| Depositories Act | Depositories Act, 1996 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 1996 |
| Depository Participant / DP | A depository participant as defined under the Depositories Act |
| DP ID | Depository participant's identification |
| DIN | Director Identification Number |

| Term | Description |
|--|---|
| EBITDA | Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation and amortization expense, as presented in the statement of profit and loss |
| EGM | Extraordinary general meeting |
| EPS | Earnings per Equity Share |
| FCNR Account | Foreign currency non-resident account |
| FDI Circular 2020 | Consolidated FDI Policy dated October 15, 2020 issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India |
| FEMA | Foreign Exchange Management Act, 1999, together with rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year, Fiscal Year or Fiscal | Period of 12 months ended March 31 of that particular year, unless otherwise stated |
| FIR | First information report |
| FPIs | Foreign portfolio investors as defined under the SEBI FPI Regulations |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 |
| FVCI | Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 registered with SEBI |
| GAAP | Generally accepted accounting principles |
| GDP | Gross domestic product |
| GoI or Government | Government of India |
| GST | Goods and Service Tax |
| HFC | Housing finance companies |
| HUF | Hindu Undivided Family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| ICAI | Institute of Chartered Accountants of India |
| Income Tax Act | Income-Tax Act, 1961 |
| Ind AS | Indian accounting standards as specified under section 133 of the Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended |
| IFRS | International Financial Reporting Standards |
| Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| ITAT | Income Tax Appellate Tribunal |
| LTV | Loan to value ratio |
| MCA | Ministry of Corporate Affairs |
| Mutual Fund | Mutual fund registered with SEBI under the Securities and Exchange Board of (Mutual Funds) Regulations, 1996 |
| Net Asset Value per Equity Share or NAV per Equity Share | Net Worth/ Number of Equity shares subscribed and fully paid outstanding as at March 31 |
| Net Worth | Aggregate of Equity Share capital and other equity |
| NBFC | Non-banking financial companies |
| NCD(s) | Non-convertible debentures |
| NHB | National housing bank |
| NPA(s) | Non-performing assets |
| NRE Account | Non-resident external account |
| NRI | A person resident outside India, who is a citizen of India and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016 |
| NRO Account | Non-resident ordinary account |
| NSDL | National Securities Depository Limited |

| Term | Description |
|-----------------------------------|--|
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA |
| PAN | Permanent account number |
| PAT | Profit after tax |
| QP | Qualified purchaser as defined in the U.S. Investment Company Act |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the U.S. Securities Act |
| RoC | Registrar of Companies, Ahmedabad |
| RTGS | Real time gross settlement |
| Rule 144A | Rule 144A under the U.S. Securities Act |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI Relaxation Circulars | SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020, read with SEBI circulars bearing reference numbers SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020 and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 |
| SEBI Rights Issue Circulars | Collectively, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI Relaxation Circulars |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| Stock Exchanges | BSE |
| STT | Securities transaction tax |
| Supreme Court | Supreme Court of India |
| TAT | Turn around time |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| Total Borrowings | Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities |
| "U.S.\$ ", "USD" or "U.S. dollar" | United States Dollar, the legal currency of the United States of America |
| U.S. Investment Company Act | Investment Company Act of 1940, as amended |
| U.S. Person | U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S) |
| U.S. QIB | Qualified institutional buyer as defined in Rule 144A under the U.S. Securities Act |
| "USA", "U.S. " or "United States" | United States of America |
| U.S. SEC | U.S. Securities and Exchange Commission |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |

| Term | Description |
|-------------|--|
| VCF | Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be |
| WHO | World Health Organization |

This space has been left blank intentionally

NOTICE TO INVESTORS

The distribution of this Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Abridged Letter of Offer or Application Form may come are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier this Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, this Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case, who make a request in this regard. Investors can also access this, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

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

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

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

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

NO OFFER IN THE UNITED STATES

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

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

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

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

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

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

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

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

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon

the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

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

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

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

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

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

This space has been left blank intentionally

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

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

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

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

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Letter of Offer has been derived from our Financial Statements. For details, please see "**Restated Financial Information**" beginning on page 92 of this Letter of Offer. Our Company's financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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

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

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

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Letter of Offer should accordingly be limited. For further information, see "**Financial Information**" beginning on page 92 of this Letter of Offer.

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

in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

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

Our Company has presented certain numerical information in this Letter of Offer in "lakh" or "Lac" units or in whole numbers. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to present in lakh. Any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", and "*Management's Discussion and Analysis of Financial Conditions and Results of Operation*" beginning on page 19, 77 and 155 and elsewhere in this Letter of Offer, unless otherwise indicated, have been calculated based on our Financial Information.

Exchange Rates

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

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

| Sr. No. | Name of the Currency | Exchange rate as on | | | |
|---------|----------------------|---------------------|----------------|----------------|----------------|
| | | December 31, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| 1. | United States Dollar | 83.11 | 82.21 | 75.80 | 73.53 |

(in ₹)

(Source: RBI and FBIL reference rate www.fbil.org.in)

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

Industry and Market Data

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

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

Although we believe the industry and market data used in this Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" beginning on page 19 of this Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENTS

Certain statements contained in this Letter of Offer that are not statements of historical fact constitute 'forward looking statements.' Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals 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 may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) 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. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- Changes in government policies and the regulatory frameworks supporting renewable energy development
- Fluctuations in foreign currency exchange rate, which may harm our results of operations;
- Our ability to maintain and enhance our business segments;
- Our ability to maintain relationships with third parties such as contract manufacturers for our clothing segment;
- Our recent venture in new business segments;
- Our manufacturing facility being inoperative;
- Our negative cash flows and losses in the past;
- Non-obtaining of insurance coverage;
- Inability to protect the intellectual property that we use;
- Our ability to maintain our market position and to compete effectively against existing or potential competitors;
- Our inability to attract and retain skilled personnel;
- Our ability to manage our operations at our current size or to manage any future growth effectively; and
- Our inability to obtain, maintain or renew requisite statutory and regulatory permits and approvals for our business operations.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "**Risk Factors**", "**Our Business**" and "**Management's Discussion and Analysis of Financial Condition and Results of Operations**" on pages 19, 77, and 155 respectively. 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.

Forward-looking statements reflect the current views of our Company as at the date of this Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our 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. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, the Advisor to the Issue nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Advisor to the Issue 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.

This space has been left blank intentionally

SUMMARY OF LETTER OF OFFER

The following is a general summary of the terms of this Issue, and should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled "**Risk Factors**", "**The Issue**", "**Capital Structure**", "**Objects of the Issue**", "**Industry Overview**", "**Our Business**", "**Outstanding Litigation and Material Developments**" and "**Terms of the Issue**" beginning on pages 19, 36, 43, 45, 54,77,162 and 175 respectively of this Letter of Offer.

1. **Summary of Industry**

Our company is engaged in the following industries: Trading of all type of papers, all types of metals and metal compounds, dealing in shares & securities, act as Commission agent Stockiest on whole-sale and retail basis, agriculture industry.

The trading industry is like the bustling heart of the global economy, where goods and services flow between businesses and consumers. Picture a marketplace where everything from toothbrushes to high-tech gadgets changes hands. In this dynamic sector, companies buy and sell a vast array of products, creating a web of interconnected transactions. It's not just about physical goods, though; services, information, and ideas are also part of the trade. The industry thrives on constant movement, adapting to changing trends, consumer preferences, and economic conditions. It's essentially the engine that keeps the world of commerce running, linking producers to consumers and fostering a network of exchanges that shapes our daily lives.

The trading industry plays a crucial role in the global economy, influencing everything from individual savings to corporate investments. It's a dynamic world where information, timing, and strategy are key, making it both exciting and challenging for those involved.

*For details, please refer to chapter titled "**Industry Overview**" on page 54 of this Letter of Offer.*

2. **Summary of Business**

Our company is engaged in the business of manufacturing, importing & exporting, trading of all type of paper for writing, wrapping, kraft and semi-kraft, and to do all types of metals and metal compounds whatsoever, whether ferrous or non-ferrous and trading, transporting, storing, developing, promoting, marketing or supplying, dealing in all type of goods on retail and wholesale basis in India or elsewhere and also act as Commission agent Stockiest on behalf of others.

Further, the company also operates as exhibitors of goods, services and merchandise and to undertake necessary activities to promote sales of goods or services dealt with/provided by the Company.

Also, to acquire share in various business entities including but not limited to companies, partnership firms, LLPs and other legal entities in India or outside India.

*Recently, the company entered in the business of import, export, distribute, sell, and trade agricultural products They may also stock agri-commodities at their own or leased premises, promote and sell their own brand, and trade in cultivation and harvesting supplies.

Further, the company is also into the business of grow, produce, harvest, raise, or deal in agriculture produce, set up processing units and dealing in fertilizers and manure and also engaged in planting, growing, cultivating seeds, vegetables, fruits, and herbs, as well as processing, preserving, and storing them.

**The shareholders of the company have passed the resolution by way of postal ballot for alteration of object clause of the memorandum of association dated 15th February, 2024.*

*For details, please refer to chapter titled "**Our Business**" on page 77 of this Letter of Offer.*

3. **Our Promoter**

The Promoter of our company is Mr. Nishant Subhashchandra Gandhi.

(The Company was acquired by above-mentioned promoter through Share Purchase Agreement (SPA) dated December 09, 2021 and Letter of Offer dated February 01, 2022 in terms of Regulation 4 of SEBI (SAST) Regulations, 2011.)

For further details please see chapter titled “Our Promoters” beginning on page 87 of this Letter of Offer.

4. Objects of the Issue

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

| (₹ in lakhs) | | |
|--------------|--------------------------------------|--|
| S. No. | Particulars | Total estimated amount to be utilized (₹ in lakhs) |
| 1. | Meeting Working Capital Requirements | 3664.52 |
| 2. | General Corporate Purposes | 1,238.17 |
| Total | | 4,902.69 |

For further details, please see chapter titled “Objects of the Issue” beginning on page 45 of this Letter of Offer.

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

The Promoter may renounce its Right Entitlement in favour of third parties, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations might apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% 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 rate as prescribed under the applicable laws.

6. Summary of Financial Information

Following are the details as per the Restated Consolidated Financial Information as at and for the Financial Years ended on March 31, 2021, March 31, 2022, March 31, 2023 and Nine months ended December 31, 2023:

| (₹ in lakhs) | | | | |
|--|-------------------|----------------|----------------|----------------|
| Particulars | December 31, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| * Authorised Share Capital | 7506.00 | 3006.00 | - | - |
| Paid-up Capital | 2501.36 | 1819.23 | - | - |
| ** Net Worth attributable to Equity Shareholders | 2630.48 | 2500.84 | - | - |
| Total Revenue | 730.92 | 946.97 | - | - |
| Profit after tax | 152.38 | 51.81 | - | - |
| Earnings per Share (basic & diluted) (in ₹) | 0.06 | 0.03 | - | - |
| Net Asset Value per Equity Share (in ₹) | 1.05 | 1.37 | - | - |
| Total Borrowings | 51.99 | - | - | - |

* Authorized share Capital has been increased from Rs. 30,06,00,000/- Cr. to Rs. 75,06,00,000/- Cr. By passing the shareholders resolution through the Postal Ballot Notice Dated January 14th, 2024.

** Net worth attributable to Equity Shareholders are excluded the non-controlling interest.

Following are the details as per the Restated Standalone Financial Information as at and for the Financial Years ended on March 31, 2021, March 31, 2022, March 31, 2023 and Nine months ended December 31, 2023:

(₹ in lakhs)

| Particulars | December 31, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|---|-------------------|----------------|----------------|----------------|
| *Authorised Share Capital | 7506.00 | 3006.00 | 310.00 | 310.00 |
| **Paid-up Capital | 2501.36 | 1819.23 | 300.22 | 300.22 |
| Net Worth attributable to Equity Shareholders | 2628.83 | 2497.75 | 618.72 | 640.02 |
| Total Revenue | 730.92 | 646.22 | 180.53 | 147.44 |
| Profit after tax | 153.81 | 50.84 | (21.30) | (12.28) |
| Earnings per Share (basic & diluted) (in ₹) | 0.06 | 0.03 | (0.05) | (0.03) |
| Net Asset Value per Equity Share (in ₹) | 1.05 | 1.37 | 2.06 | 2.13 |
| Total Borrowings | 43.25 | - | - | - |

*Authorized share Capital has been increased from Rs. 30,06,00,000/- Cr. to Rs. 75,06,00,000/- Cr. through the Postal Ballot Notice Dated January 14th, 2024.

** Net worth attributable to Equity Shareholders are excluded the Non-Controlling interest.

7. Summary of Outstanding Litigations:

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

| Nature of Cases | Number of outstanding cases | Amount Involved* (₹ in lakhs) |
|--|-----------------------------|-------------------------------|
| <i>Litigation involving our Company</i> | | |
| Criminal proceedings against our Company | Nil | Nil |
| Criminal proceedings by our Company | Nil | Nil |
| Material civil litigation against Company | Nil | Nil |
| Material civil litigation by our Company | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| <i>Litigation involving our Directors</i> | | |
| Criminal proceedings against our Directors | Nil | Nil |
| Criminal proceedings by our Directors | Nil | Nil |
| Material civil litigation against our Directors | Nil | Nil |
| Material civil litigation by our Directors | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| <i>Litigation involving our Promoter</i> | | |
| Criminal proceedings against our Promoter | Nil | Nil |
| Criminal proceedings by our Promoter | Nil | Nil |
| Material civil litigation against our Promoter | Nil | Nil |
| Material civil litigation by our Promoter | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |

* To the extent quantifiable.

For details, please refer to chapter titled "Outstanding Litigations and Defaults" on page 162 of this Letter of Offer.

8. **Risk Factors**

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares of the Company, material litigations which impact the business of the Company and other economic factors please see “*Risk Factors*” on page 19 of this Letter of Offer.

9. **Summary of Contingent Liabilities**

Following are the details as per the Restated Financial Information for the Nine months period ended December 31, 2023 and Restated Financial Information as at and for the Financial Years ended on March 31, 2023, 2022 and 2021.

(₹ in lakhs)

| Particulars | December 31, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
|--|-------------------|----------------|----------------|----------------|
| Outstanding tax demand with respect to any revenue authorities | 0.02 | 0.02 | 0.02 | 0.02 |

10. **Summary of Related Party Transactions**

Please refer “*Financial Information*” beginning on page 92 of the Financial Information in this Letter of Offer.

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

Our Company has made the following issuances of Equity Shares in the last one year for consideration other than cash:

| Date | Type of issue | No. of shares | Price per share/Ratio |
|------------|---|---------------|---|
| 07/07/2022 | Conversion of equity warrants into equity | 6,094,000 | Rs. 10/- per share and premium of Rs. 20/- per share |
| 22/09/2022 | Bonus issue | 9,096,172 | In the ratio of 1:1 (One bonus equity share for every one equity shares held) of face value of Rs. 10/- (Rupees Ten Only) each per share. |
| 24/04/2023 | Bonus issue | 4,54,80,440 | In the ratio of 1:4 (One bonus equity share for every four equity shares held) of face value of Re 1/- (Rupees One Only) each per share. |
| 19/12/2023 | Bonus issue | 2,27,32,431 | In the ratio of 1:10 (One bonus equity share for every ten equity shares held) of face value of Re 1/- (Rupees One Only) each per share. |

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

Our Company has made the following Split or consolidation of Equity Shares in the last one year:

| Date | Split or consolidation |
|------------|--|
| 12/04/2023 | Our company has carried split of equity shares from face value of Rs. 10/- (Ten) per share to face value of Rs. 1/- (One) per equity share of the company. |

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. Prospective Investors should carefully consider all the information disclosed in this Letter of Offer, including the risks and uncertainties described below and the "Financial Statements" on page 92, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 77, 54 and 155 respectively, as well as the other financial information included in this Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below.

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

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see "Forward Looking Statements" on page 14 of this Letter of Offer.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Financial Statements included in this Letter of Offer. For further information, see "Financial Statements" on page 92 of this Letter of Offer. In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to IFL Enterprises Limited.

Materiality:

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

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

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

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

In this section, unless the context requires otherwise, any reference to "we", "us" or "our" refers to IFL Enterprises Limited.

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

INTERNAL RISK FACTORS

BUSINESS RELATED RISKS

1. The “Promoter/Promoter Group” had requested the company for reclassification of shareholders to the “Public” Category.

The erstwhile promoters and promoter group of our company has requested the company for reclassification. The Company vide its letter dated 22nd August, 2022 intimated the Stock Exchange for receipt of request of reclassification of “Promoter/Promoter Group” shareholders to the “Public” Category in accordance with Regulation 30 and 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 from the Promoter/Promoter Group. The aforesaid request is pending before the Exchange. The Application for reclassification of following person:

1. Mr. Mukesh Sharma

from ‘Promoter’ to ‘Public category’ with BSE Limited (“the stock exchange”) is pending for approval.

2. Our Company had negative cash flow in recent fiscals, details of which are given below. Sustained negative cash flow could adversely impact our business, financial condition and results of operations.

Our Company had reported certain negative cash flows from its investing and financing activities in the previous years as per the restated financial statements and the same are summarized as under:

(₹ in lakhs)

| Particulars | For the period ended | | | |
|--|----------------------|-------------|-------------|-------------|
| | Dec 2023* | March 2023* | March 2022* | March 2021* |
| Net Cash from Operating Activities | (73.77) | (178.61) | - | - |
| Net Cash Generated in Investing Activities | 124.58 | (1777.81) | - | - |
| Net Cash Generated in Financing Activities | 11.81 | 1828.20 | - | - |

**Details as per Restated Consolidated Financials*

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

For further details please refer to the section titled “Financial Information” and chapter titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page numbers 92 and 155, respectively, of the Letter of Offer.

3. Misconduct or errors by manpower engaged by us could expose us to business risks or losses that could adversely affect our business prospects, results of operations and financial condition.

Misconduct or errors by manpower engaged by us could expose us to business risks or losses, including regulatory sanctions, penalties and serious harm to our reputation. Such misconduct includes breach of security requirements, misappropriation of funds, hiding unauthorized activities, failure to observe our stringent operational standards and processes and improper use of confidential information. It is not always possible to detect or deter such misconduct, and the precautions we take to prevent and detect such misconduct may not be effective. Consequently, our ability to control the workplace environment in such circumstances is limited. The risks associated with the deployment of manpower engaged by us across locations include, among others, possible claims relating to; actions or inactions, including matters for which we may have to indemnify our clients; our failure to adequately verify personnel backgrounds and qualifications resulting in deficient services; failure of manpower engaged by us to adequately perform their duties; errors or malicious acts or violation of health and safety regulations; or criminal acts.

These claims may give rise to litigation and claims for damages, which could be time-consuming. These claims may also result in negative publicity and adversely impact our reputation and brand name. Further, we may be forced to indemnify our clients against losses or damages suffered by our clients as a result of negligent acts of manpower

engaged by us. We may also be affected in our operations by the acts of third parties, including sub-contractors and service providers. Any claims and proceedings for alleged negligence as well as regulatory actions may in turn materially and adversely affect our brand and our reputation, and consequently, our business, financial condition, results of operations and prospects.

4. We face intense competition in our businesses, which may limit our growth and prospects. Our Company faces significant competition from other companies.

We compete on the basis of a number of factors, including execution, depth of product and service offerings, innovation, reputation and price. Our competitors may have advantages over us, including, but not limited to:

- Substantially greater financial resources;
- Longer operating history than in certain of our businesses;
- Greater brand recognition among consumers;
- More diversified operations which allow profits from certain operations to support others with lower profitability.

These competitive pressures may affect our business, and our growth will largely depend on our ability to respond in an effective and timely manner to these competitive pressures.

5. If we are unable to source business opportunities effectively, we may not achieve our financial objectives.

Our ability to achieve our financial objectives will depend on our ability to identify, evaluate and accomplish business opportunities. To grow our business, we will need to hire, train, supervise and manage new employees and to implement systems capable of effectively accommodating our growth. However, we cannot assure you that any such employees will contribute to the success of our business or that we will implement such systems effectively. Our failure to source business opportunities effectively could have a material adverse effect on our business, financial condition and results of operations. It is also possible that the strategies used by us in the future may be different from those presently in use. No assurance can be given that our analyses of market and other data or the strategies we use or plans in future to use will be successful under various market conditions.

6. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The Board has declared an Interim Dividend @ 0.01% i.e., 1 paisa/- per Equity Share of face value of Re. 1/-each for the Financial Year 2022-23 for the Financial Year 2023-2024. Further, our ability to pay future dividends will depend on our earnings, financial condition and capital requirements. There can be no assurance that we will generate sufficient income to cover the operating expenses and pay dividends to the shareholders. Our ability to pay dividends will also depend on our expansion plans. We may be unable to pay dividends in the near or medium term, and the future dividend policy will depend on the capital requirements and financing arrangements for the business plans, financial condition and results of operations.

7. Our Company has incurred losses in the past.


Our Company has incurred losses in the past as set out below:

| Particulars | <i>(INR in Lacs)</i> | | | |
|----------------------------|----------------------|-----------------|-----------------|-----------------|
| | Dec 31, 2023* | March 31, 2023* | March 31, 2022* | March 31, 2021* |
| Total Comprehensive Income | 153.81 | 50.84 | (21.30) | (12.28) |

**Details as per Restated standalone Financials*

There can be no assurance that our Company will not incur losses in the future, or that there will not be any adverse effect on our reputation or business as a result of such losses. For details, please see "**Restated Financial Statements**" on page 92 of this Letter of Offer.

8. Our Company has not yet applied for the registration of the logo or any of the intellectual property that it uses with the registrar of Trademarks.

Our Company has not yet applied for the registration of the logo i.e.  or any of the intellectual property that it uses. Any failure to get the same registered in our name may cause any third-party claim and may lead to litigation and our business operations could be affected. Even if our trademarks are registered, we may not be able to detect any unauthorized use or infringement or take appropriate and timely steps to enforce or protect our intellectual property, nor can we provide any assurance that any unauthorized use or infringement will not cause damage to our business prospects.

9. We have financial indebtedness which could adversely affect our financial condition and results of operations and further we may not be able to meet our obligations under the debt financing agreements.

Our total outstanding debt is ₹ 43.25/- Lakhs consisting of unsecured and secured loans (including unsecured loan of ₹ 22.84/- from Directors & other related parties). If we fail to meet our debt servicing obligations under our financing documents, the relevant lenders could declare us to be in default, accelerate the maturity of our obligations or takeover our Company's movable and immovable assets. We cannot assure investors that in the event of any such acceleration we will have enough resources to repay these borrowings. Failure to meet obligations under debt financing agreements may have an adverse effect on our cash flows, business and results of operations. Our ability to meet our debt service obligations and to repay our outstanding borrowings will depend primarily upon the cash flows generated by our business. We cannot assure you that we will generate enough cash to enable us to service existing or proposed borrowings. Incurring significant indebtedness may limit our flexibility in planning for or reacting to changes in our business & industry and limit our ability to borrow additional funds.

10. We have not obtained the insurance coverage to protect against any business risks and this may have an adverse effect on the business operations.

Operations in our business carry inherent risks of personal injury, damage to or destruction of property, plant and equipment and damage to the environment, and are subject to risks such as fire, theft, flood, earthquakes and terrorism. However, we have not obtained any insurance coverage and are in the process of obtaining the same. The occurrence of any event for which we are not insured, could have an adverse effect on our business, reputation, results of operations, financial condition and cash flows.

11. We have in the past entered into related party transactions and may do so in the future. We cannot assure you that we could not have achieved more favourable terms if such transactions had not been entered into with related parties.

We will enter into related party transactions with our Promoters, its group members/ entities, and Directors. While we believe that all such transactions will be conducted on arm's length basis, however it is difficult to ascertain whether more favorable terms will be achieved if such transactions be entered with unrelated parties. Furthermore, it is likely that we will continue to enter into related party transactions in the near future as well. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. We are in compliance with Related Party Transactions as per the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. For further details regarding the related party transactions, see the disclosure on related party transactions contained in the financial statements included in this Letter of Offer and, also see the section "Financial Information" on page no. 92 of this Letter of Offer.

12. Our operations are subject to high working capital requirements. Our inability to maintain sufficient cash flow, credit facilities and other sources of funding, in a timely manner, or at all, to meet requirement of working capital or pay out debts, could adversely affect our operations.

Our business requires significant amount of working capital. Major Portion of our working capital is utilized towards debtors and inventory. Our growing scale and expansion, if any, may result in increase in the quantum of current assets. Our inability to maintain sufficient cash flow, credit facility and other sourcing of funding, in a timely manner, or at all, to meet the requirement of working capital or pay out debts, could adversely affect our financial condition and result of our operations.

Further, we have high Debtors which may result in a high risk in case of non-payment by these Debtors. In the event we are not able to recover our dues from our Debtors, we may not be able to maintain our sales level and thus adversely affecting our financial health. If this situation persists, we may not be able to pay our lenders / creditors which may result in adversely affecting our operations and future prospects.

13. *Some of the property including Registered Office of company as used by the Company for the purpose of its operations is not owned by us. Any termination of the relevant lease or leave and license agreement in connection with such property or our failure to renew the same could adversely affect our operations.*

Our current registered office situated at Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015 is not owned by us. In our business the most integral part is the location and space of the property. We have obtained this property on lease basis. Periodic renewals of such lease may increase our costs, since it is subject to rent escalation. Any termination of the lease and/or rental deed in connection with these properties or our failure to renew the same, and upon favourable conditions, in a timely manner or at all could adversely affect our operations. For details regarding properties taken on lease refer the Section title our Properties “**Our Business**” beginning on page no. 77 of this letter of offer.

14. *The success of our business operations depends largely upon our Promoter, Directors, and Key Managerial Personnel, the loss of any of them may negatively impact our business operations and financial conditions.*

Our success is highly dependent on the expertise of our Promoter Nishant Subhashchandra Gandhi, and other key managerial personnel. Our ability to successfully function and meet future business challenges partly depends on our ability to attract and retain these key managerial personnel. We believe that our relation with our Promoters, who have rich experience in setting up business, developing markets, managing customers and handling overall businesses, has enabled us to experience growth and profitability. We benefit from our relationship with our Promoters and our success depends upon the continuing services of our Promoters who have been responsible for the growth of our business and are closely involved in the overall strategy, direction and management of our business. Further, our Promoters have also promoted other companies / firms / ventures and may continue to do so. If they divert their attention to the other companies, we may not be able to function as efficiently and profitably as before. We may have to incur additional costs to replace the services of our promoters or we may not be able to do so at all, which could adversely affect our business operations and affect our ability to continue to manage and expand our business.

Further, we also depend significantly on our Key Managerial Persons for executing their day-to-day activities. If our Promoters / Directors or any member of the senior management team is unable or unwilling to continue in his present position, we may not be able to replace him easily or at all, and our business, financial condition, results of operations and prospects may be materially and adversely affected.

15. *Any failure to maintain effective quality control systems for our supply chain could have a material adverse effect on our business, reputation, results of operations and financial condition.*

The quality and safety of the products we serve is critical to our success. Maintaining consistent quality and preventing food contamination and other health hazards depends significantly on the effectiveness of the quality control systems, policies and guidelines that we, our third-party distributor, approved suppliers of our third-party distributor and our suppliers have in place, which in turn depends on a number of factors, including the design of the quality control systems and employee implementation and compliance with those quality control systems. There can be no assurance that the quality control systems that we, our third-party distributor, approved suppliers of our third-party distributor and our suppliers have in place will prove to be effective. Any significant failure or deterioration of these quality control systems could have a material adverse effect on our business, reputation, results of operations and financial condition and can cause negative publicity that can affect our brand. We could also be subject to civil and/or criminal liability and other regulatory consequences in the event that a health hazard were to be found at any of our restaurants as a result of a failure of the quality control systems that we, our third-party distributor, approved suppliers of our third-party distributor, our suppliers and our sub-franchisees have in place, including the spread of any infection or disease. We may be the subject of public interest litigation in India relating to allegations of such hazards, as well as in cases having potential criminal and civil liability filed by regulatory authorities. If such cases are determined against us, there could be an adverse effect on our reputation, business, results of operations and financial condition.

16. We face competition in our business from organized and unorganized players, which may adversely affect our business operation and financial condition.

The market in which our company is doing business is highly competitive on account of both the organized and unorganized players. Players in this industry generally compete with each other on key attributes. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Moreover, the unorganized sector offers their products at highly competitive prices which may not be matched by us and consequently affect our volume of sales and growth prospects. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition.

17. Our Company, if not able to manage our growth or to successfully implement our business plan could have an adverse effect on our business, results of operations and financial conditions.

The success of our business will depend greatly on our ability to effectively implement our business and growth strategy. If our Company is not able to execute our strategy on time and within our estimated budget, or that our expansion and development plans fail to generate the required results, it may adversely impact our profitability. Further, our growth strategies could place significant demand on our management team and other resources and would require us to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to scale up our infrastructure and management could cause disruptions to our business and could be detrimental to our long-term business outlook. Further, we operate in a highly dynamic industry, and on account of changes in market conditions, industry dynamics, technological improvements or changes in trends and fashions and any other relevant factors, our growth strategy and plans may undergo changes or modifications, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands. Our inability to implement our business strategies and sustain our growth may impair our financial growth and thus result in an adverse impact on our Company's share price.

18. There is an outstanding legal proceeding involving our Company

There is an outstanding legal proceeding involving our Company. Decisions in such proceeding, adverse to our interests, may have a material adverse effect on our business, cash flows, financial condition, and results of operations. Failure to successfully defend these or other claims, or if our current provisions prove to be inadequate, our business and results of operations could be affected.

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

(₹ in lakhs)

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|--|------------------------------------|-------------------------|
| <i>Litigation involving our Company</i> | | |
| Criminal proceedings against our Company | Nil | Nil |
| Criminal proceedings by our Company | Nil | Nil |
| Material civil litigation against Company | Nil | Nil |
| Material civil litigation by our Company | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| <i>Litigation involving our Directors</i> | | |
| Criminal proceedings against our Directors | Nil | Nil |
| Criminal proceedings by our Directors | Nil | Nil |
| Material civil litigation against our Directors | Nil | Nil |
| Material civil litigation by our Directors | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |
| <i>Litigation involving our Promoter</i> | | |
| Criminal proceedings against our Promoter | Nil | Nil |
| Criminal proceedings by our Promoter | Nil | Nil |
| Material civil litigation against our Promoter | Nil | Nil |

| Nature of Cases | Number of outstanding cases | Amount Involved* |
|--|-----------------------------|------------------|
| Material civil litigation by our Promoter | Nil | Nil |
| Actions by statutory or regulatory authorities | Nil | Nil |
| Direct and indirect tax proceedings | Nil | Nil |

* To the extent quantifiable.

For details, please refer to chapter titled "**Outstanding Litigations and Defaults**" on page 162 of this Letter of Offer.

19. Our funding requirements and deployment of the issue proceeds are based on management estimates and actual cost may vary compared with the estimated amount.

Our funding requirement and deployment of the proceeds of the issue are based on management estimates and our current business plan. The fund requirements and intended use of proceeds have not been appraised by banks or financial institutions and are based on our estimates. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change as a result of various factors which may not be within the control of our management. This may entail rescheduling, revising or cancelling the planned expenditure and fund requirement and increasing or decreasing the working capital limits maintained from time to time at the discretion of our board in compliance with all applicable laws. In addition, schedule of implementation as described herein are based on the management's current expectations and are subject to change due to various factors some of which may not be in our control. The deployment of the funds towards the objects of the issue is entirely at the discretion of the Board of Directors in compliance with all applicable laws and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our Audit Committee.

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

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, our Company had complied with all the provisions of the SEBI Listing Regulations. Further our Company did not receive any communication regarding non-compliances from the Stock Exchange or any authority.

Further, as per the SEBI Listing Regulations, our company is obligated to adhere to the various reporting requirements. While we strive to comply with these obligations, there may be instances of non-disclosures, delayed disclosures, erroneous disclosures, or other violations. Such occurrences may lead to penalties, show cause notices, or other actions by regulatory authorities such as the BSE and SEBI, as per the SEBI Act, Rules, Regulations, and applicable circulars. Any adverse regulatory action may impact our business reputation, divert management focus, and have a material adverse effect on our business prospects, financial performance, and the trading price of our Equity Shares. Further, we would like to clarify that as on date we have no such instances of non-compliances from the Stock Exchange or any authority. However, we may face such kind of issue in the future. Therefore, we have included the same in the risk factor.

21. Trading under ESM: Stage 1 on BSE

The shares of our company are traded under the Enhanced Surveillance Measure (ESM) Stage 1 on the Bombay Stock Exchange (BSE). The Securities and Exchange Board of India (SEBI) and the exchanges have jointly introduced the ESM framework for Micro-Small Companies, defined as those with a market capitalization less than 500 crores. The criteria applicable to companies under ESM are specified in the NSE circular (Circular Ref. No: 346 / 2023) dated June 2nd, 2023.

These measures include Additional Surveillance Measure (ASM), Graded Surveillance Measure (GSM), Inter Creditor Agreement (ICA), Enhanced Surveillance Measure (ESM), and Promoter's holding pledged, among others.

The risks associated with trading in securities under surveillance measures are as follows:

Trade-to-Trade (T2T): If a trade-to-trade (T2T) stock is bought and sold on the same day, it is not possible. However, it can be sold on the next trading day.

Price Band: Generally, securities are traded with a price band of 20%, but ESM Stage 1 securities will be traded with a price band of 5% or lower.

Margins Requirement: 100% margins are required for trading in ESM 1 Securities.

ISSUE SPECIFIC RISKS

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

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

22. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021, April 22, 2021 and May 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 in 2020. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020 and January 19, 2021, April 22, 2021 and May 19, 2022, as applicable (“**SEBI Rights Issue Circular**”) 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 175.

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 of Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings.

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

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

Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow 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. Further, pursuant to a press release dated December 03, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

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 Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Issue with respect to such Rights Entitlements. For details, see “Terms of the Issue” on page 175.

25. *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.

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

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

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

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant’s demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national

monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline

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

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

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

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

- 30. *Holder 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.

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

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

rate between the Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may adversely affect the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

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

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

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

In accordance with the SEBI ICDR Regulations, the Equity Shares shall be issued only in dematerialized form. Investors will not have the option of getting the allotment of Equity Shares in physical form. The Equity Shares Allotted to the Applicants who do not have demat accounts or who have not specified their demat details, will be kept in abeyance till receipt of the details of the demat account of such Applicants. For details, see "Terms of the Issue" on page 175. This may impact the ability of our shareholders to receive the Equity Shares in the Issue.

34. *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

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

Summary statements of assets and liabilities as at March 31, 2022 and summary statements of profit and loss (including other comprehensive income), cash flows and changes in equity for the Fiscals 2022 have been prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the Ind AS Rules and, the SEBI Circular and the Prospectus Guidance Note.

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

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

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

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

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

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

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

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

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

- Any increase in Indian interest rates or inflation;
- Any scarcity of credit or other financing in India;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring 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 counter parties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

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

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

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

- The General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may

have an adverse tax impact on us.

- A comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.

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

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

39. *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.

40. *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.

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

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

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

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

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

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

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

affect our operations. Accordingly, any adverse regulatory change in this regard could lead to fluctuation of price points of various input costs and thereby increase our operational cost.

The Taxation Laws (Amendment) Act, 2019, also prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate (on gross basis) for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our ability to claim exemptions that we have historically benefited from, and such exemptions may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability. Due to COVID -19 pandemic, the Government of India had also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, among others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975. Furthermore, the Government of India announced the Union Budget for Fiscal 2023 (“Budget 2023”), pursuant to which the Finance Bill 2023 (defined below) has proposed various amendments which will only come into effect upon receipt of Presidential assent to the bill and notification in requisite acts. We have not fully determined the impact of these recent and proposed laws and regulations on our business.

There can be no assurance that we will not be required to comply with additional procedures or obtain additional approvals and licenses from the government and other regulatory bodies or that they will not impose onerous requirements and conditions on our operations in connection with GST. While we are and will comply with the GST rules and regulations, any failure to comply with the same may result in noncompliance with the GST and may adversely affect our business and results of operations. The GoI announced the union budget for fiscal year 2023, following which the Finance Bill, 2022 was introduced in the Lok Sabha on February 1, 2022. Subsequently, the Finance Bill 2022 received the assent from the President of India on March 30, 2022, and became the Finance Act, 2022 (“Finance Act 2022”). We cannot predict whether the amendments made and yet to be notified pursuant to the Finance Act 2022 would have an adverse effect on our business, financial condition, future cash flows and results of operations. Any changes in the Finance Act 2022 or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws that are applicable to 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.

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

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concerns

regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business.

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

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

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

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

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

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

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

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

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorized through a resolution passed by our Board at its meeting held on December 28th, 2023 to raise funds by issuance and allotment of equity shares for an aggregate amount but not exceeding Rs. 49,75,00,000/- (Rupees Forty-Nine Crore Seventy-Five Lacs only), by way of Right Issue, on such terms to be decided by the Board or a duly constituted committee of the Board at a later date, subject to the necessary approvals.

The terms and conditions of the Issue including the rights entitlement ratio, Issue Price, Record Date, timing of the Issue and other related matters, have been approved by a resolution passed by the Board of Directors at its meeting held on May 09th, 2024. The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in the chapter titled "*Terms of the Issue*" on page 175 of this Letter of Offer.

| Particulars | Details of Equity Shares |
|--|---|
| Equity Shares proposed to be issued | Up to 49,52,69,896 Equity Shares |
| Rights Entitlement | 198 Equity Share for every 100 fully paid-up Equity Share(s) held on the Record Date |
| Fractional Entitlement | For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 100 Equity Shares or is not in multiples of 100, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any. |
| Record Date | May 17 th , 2024 |
| Face value per Equity Shares | ₹1/- |
| Issue Price per Rights Equity Shares | ₹ 1/- per Equity Share |
| Issue Size | Issue not exceeding ₹ 4952.69/- lakhs <i>#Assuming full subscription, to be adjusted as per the Rights Entitlement ratio</i> |
| Voting Rights and Dividend | The Equity Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company |
| Equity Shares issued, subscribed and paid up prior to the Issue | 25,01,36,311 Equity Shares. For details, see " Capital Structure " beginning on page 43 of this Letter of Offer |
| Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement) | Upto 74,54,06,207 Equity Shares |
| Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement) | 74,54,06,207 Equity Shares |
| Money payable at the time of Application | ₹ 1.00/- |
| Scrip Details | ISIN: INE714U01024 Rights Entitlement ISIN: INE714U20016 BSE: 540377 |
| Use of Issue Proceeds | For details, please refer to the chapter titled " <i>Objects of the Issue</i> " on page 45 of this Letter of Offer. |
| Terms of the Issue | For details, please refer to the chapter titled " <i>Terms of the Issue</i> " on page 175 of this Letter of Offer. |

Please refer to the chapter titled "*Terms of the Issue*" on page 175 of this Letter of Offer.

Issue Schedule

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

| Event | Indicative Date |
|--|---------------------------------------|
| Issue Opening Date | Monday, 27 th May, 2024 |
| Last Date for On Market Renunciation of Rights** | Thursday, 20 th June, 2024 |
| Issue Closing Date* | Tuesday, 25 th June, 2024 |

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

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

This page has been intentionally

GENERAL INFORMATION

Our Company was originally incorporated as 'Sarhthak Suppliers Private Limited' in New Delhi as a Private Limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation on January 23, 2009 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'IFL Enterprises Private Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 27, 2016. Finally, the name of our Company was changed to 'IFL Enterprises Limited' and a fresh Certificate of Incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on February 18, 2016.

Our company was a subsidiary of India Finsec Limited, and represented the other business activities of the group. We were engaged in the business of corporate advisory, debt syndication and execution services with paramount focus on small and medium enterprises (SMEs) in corporate and non-corporate sector. Further we were also involved in the business of trading in textile products primarily fabrics.

We had obtained Direct Selling Agency of PNB Housing Finance, Tata Capital Housing Finance Limited, and IDFC Bank. Further we are in process of obtaining DSA for ICICI Bank, Axis bank, IDBI Bank and India Bulls. Due to these DSAs and our strong network amongst the debt finance market; we mentor and help small and medium enterprises to raise banking and institutional finance. We believe that our domain knowledge of debt markets in India would further augment our ability to invest in securities, primarily bonds and other fixed income instruments and earn good risk adjusted returns.

Thereafter, we operated as a trader in textile products, primarily fabrics. We act as an intermediary between buyer and seller buying goods on cash basis and providing credit to cash-strapped businessmen in this field. We operated these businesses from our registered office.

In the year 2021, our Company underwent change of Control in terms of Regulation 25 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 2011. Pursuant to the change of Control, Mr. Nishant Subhashchandra Gandhi became Promoter of the Company.

The Company altered its object clause after passing special resolution by its members on 24.04.2022, thereafter the company engaged in the business of manufacturing, importing & exporting, trading of all type of paper for writing, wrapping, kraft and semi-kraft, cloth paper, wall paper, paper films (plain and printed) and to do all types of metals and metal compounds whatsoever, whether ferrous or non-ferrous and buying, selling, reselling, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in all type of goods on retail as well as on wholesale basis in India or elsewhere and also act as Commission agent Stockiest on behalf of others.

And also, to carry on the business as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company and also to acquire share in various business entities including but not limited to companies, partnership firms, LLPs and other legal entities in India or outside India by establishing the relationship of holding-subsiidiary, joint venture and associate entities from our registered office situated at Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015.

Thereafter, the company entered into new business to carry on the business of import, export, distribute, sale, purchase or deal in agriculture produce of all description like fruits, vegetable, seeds, organic products and herbal products and to do trading of the agri-commodities whether perishable or non- perishable and also do stocking of the same at their own premises or leased premises and promote & sell their own brand along with farmer produce and trade in all the products required for cultivation, harvesting, production and developments of seeds, vegetable, fruits and herbal items.

Also, to grow, produce, harvest raise or deal in agriculture produce and to set up processing unit, manufacturers, producers, processors, growers, fermentators, distillers, refiners, makers, inventors, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indenters, bottlers, packers, movers, preservers, stockiest, agents, merchants, distributors, consignors, jobbers, brokers or otherwise deal in all kinds of fertilizers, manures, plant and animal foods, pesticides, insecticides, fungicides and all types of chemicals used in apiculture, pisciculture, sericulture, horticulture, poultry farming and animal husbandry.

Registered Office, CIN and registration number of our Company

***Reg. Office:** Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015

CIN: L74110DL2009PLC186958

Tel: +91-7990080239

E-mail: Iflenterprice3@gmail.com

Website: www.iflenterprises.com

Registration Number: 186958

*** Registered office of the Company changed w.e.f. April 08, 2024**

Address of the RoC

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

Registrar of Companies, Ahmedabad

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

Company Secretary and Compliance Officer

Mr. Rahul Pitaliya

Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015

Telephone: +91-7990080239

E- mail: Iflenterprice3@gmail.com

Chief Financial Officer

Mr. Jitendra Vaishnav

Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015

Telephone: +91-7990080239

E- mail: Iflenterprice3@gmail.com

Board of Directors of our Company

| Name | Age | Designation | Address | DIN |
|-------------------------------|-----|--|--|----------|
| Mrs. Vinaben Kanaiyalal Joshi | 67 | Non-Executive - Non-Independent Director | 18/216, Adrshnagar Flat, Nr. vijaynagar, Naranpura, Ahmedabad Ahmedabad Gujarat India 380013 | 07900014 |
| Mrs. Falguni Mehal Raval | 49 | Non-Executive - Independent Director | I-14, Akanksha Apartment, Near Sola Crossing, Ghatlodia, Ahmedabad, Gujarat-380061 | 08605075 |
| Mr. Samad Ahmed Khan | 34 | Non-Executive - Independent Director | Bayabai Chawl No. 66, Room No. 22, Sewri Koliwada, Dry Fish Market, Nr. 20 No. Godam Room No. 85/2, S Mumbai Maharashtra India-400015 | 09527456 |
| Mr. Jitendra Vaishnav | 40 | Managing Director & CFO | C/o Jagdishbhai Vaishnav, 547/3392, Gujarat Housing Board, Behind Police Station, Bapunagar, Ahmedabad City, Ahmedabad Gujarat- 380024 | 10414407 |

For detailed profile of our Directors, please refer to the chapter titled “**Our Management**” beginning on page 81 of this Letter of Offer.

Details of Key Intermediaries pertaining to this Issue of our Company:**Registrar to the Company and the Issue:****Skyline Financial Services Private Limited**

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

Phase-I, New Delhi-110020
Telephone: 011-40450193/97
Email: ipo@skylinerta.com
Website: www.skylinerta.com
Investor grievance e-mail: grievances@skylinerta.com
Contact Person: Mr. Anuj Rana
SEBI Registration No.: INR000003241
Validity of Registration: Permanent
Banker to the Issue:

ICICI Bank Limited

Branch Address: Capital Market Division, 5th floor,
HT Parekh Marg, Backbay Reclamation, Churchgate, Mumbai- 400020
Telephone Number: 022-68052182
Contact person: Mr. Varun Badai
Website: www.icicibank.com
E-mail: ipocmg@icicibank.com
SEBI Registration Number: INBI00000004

Statutory and Peer Review Auditor of the Issuer:

M/s Kapish Jain & Associates (Chartered Accountants)
Office No.: 116,1st Floor, New Delhi House, Barakhamba Road,
New Delhi, Connaught Place, New Delhi-110001
Contact Person: Mr. Sachin Singhal
Firm Registration Number: 022743N
Membership No.: 514162
Telephone Number: 011 – 4144 0483;
E-mail: info@ksmc.in , admin@ksmc.in
Peer Review Certificate Number: 011804

Designated Intermediaries:

Self-Certified Syndicate Banks

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

Since no lead manager is appointed, there is no inter-se allocation of responsibilities.

Expert Opinion

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

Our Company has received written consent dated January 16th, 2024 from the Statutory Auditors to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Letter of Offer as an “expert” as defined under Section 2(38) of the Companies Act 2013 to the extent and in its capacity as an independent Statutory Auditor such consent has not been withdrawn as on the date of this Letter of Offer.

Investor Grievances

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

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, "*Terms of the Issue*" beginning on page 175 of this Letter of Offer

Credit Rating

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

Debenture Trustees

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

Monitoring Agency

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

Filing

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

Underwriting Agreement and Details

This Issue is not underwritten.

Changes in Auditors during the last three years

| Name of Auditor | Address and E-mail | Date of Appointment/ Cessation | Reason |
|---|---|--|--|
| M/s V.N. Purohit & Co. (Chartered Accountants) | Office: 214, New Delhi House, 2 Floor, 27, Barakhamba Road, New Delhi-110001 E-mail Id: ynpdelhi@vnpaudit.com | Date of appointment: 01/04/2018 Date of cessation: 08/09/2022 | Due to increase of level of operation of the Company |
| M/s. Kapish Jain & Associates, (Chartered Accountants) | Office: 116, 1st Floor, New Delhi House, 148, Barakhamba Road, New Delhi-110001 E-mail: info@ksmc.in | Date of appointment: 01/10/2022 Tenure: 01/04/2022 to 31/03/2023 Date of appointment: 15/09/2023 Tenure: 01/04/2023 to 31/03/2028 | NA |

Issue Schedule

| | |
|---|---------------------------|
| Last Date for credit of Rights Entitlements | Thursday, 23rd May, 2024 |
| Issue Opening Date | Monday, 27th May, 2024 |
| Last date for On Market Renunciation of Rights Entitlements # | Thursday, 20th June, 2024 |
| Issue Closing Date* | Tuesday, 25th June, 2024 |
| Finalization of Basis of Allotment (on or about) | Wednesday, 3rd July, 2024 |

| | |
|--|---------------------------|
| Date of Allotment (on or about) | Wednesday, 3rd July, 2024 |
| Date of credit (on or about) | Monday, 08th July, 2024 |
| Date of listing or Commencement of trading (on or about) | Thursday, 11th July, 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 Renounees on or prior to the Issue Closing Date.
- * Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

The above schedule is indicative and does not constitute any obligation on our Company or the Advisor to the Issue.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Tuesday, 25th June, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, 25th June, 2024.

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company, the Advisors or the Registrar will not be liable for any loss on account of non-submission of Application Forms on or before the Issue Closing Date. For details on submitting Application Forms, see "*Terms of the Issue - Procedure for Application*" beginning on page 175 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at <https://www.skylinerta.com> after keying in their respective details along with other security control measures implemented thereat. For further details, see "*Terms of the Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" beginning on page 175 of this Letter of Offer.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

Minimum Subscription

In the event Promoter decides to renounce its Right Entitlement in favour of third parties, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations might apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% 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 rate as prescribed under the applicable laws.

Appraising Entity

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

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Letter of Offer and after giving effect to the Issue is set forth below:

| # | Particulars | Amount (Rs.) | |
|-----------|---|-------------------------|--------------------------------|
| | | Aggregate nominal Value | Aggregate value at Offer Price |
| A. | Authorised Share Capital* | | |
| | 75,06,00,000 Equity Shares of face value ₹1/- each | 75,06,00,000 | - |
| B. | Issued, Subscribed and Paid-Up Share Capital before the Issue | | |
| | 25,01,36,311 Equity Shares of face value ₹1/- each | 25,01,36,311 | - |
| C. | Present Issue in terms of this Letter of Offer | | |
| | Offer of 49,52,69,896 Equity Shares of Face Value ₹ 1/- each at a Price of ₹ 1/- per Equity Share | 49,52,69,896 | 49,52,69,898 |
| D. | Subscribed and paid up Equity Share Capital | | |
| | #74,54,06,207 Equity Shares of face value ₹1.00/- each | 74,54,06,207 | |
| E. | Securities Premium Account | | |
| | Before the Issue | | Nil |
| | After the Issue | | Nil |

Assuming full subscription for and Allotment of the Equity Shares

(1) The present Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on December 28, 2023.

(2) The Equity Share Capital after the Issue includes the full value of the Rights Equity Shares allotted in the Issue.

(3) Authorized share Capital has been increased from Rs. 30,06,00,000/- Cr. to Rs. 75,06,00,000/- Cr. through the Postal Ballot Notice Dated January 14th, 2024.

Notes to Capital Structure

1. **Details of outstanding instruments as on the date of this Letter of Offer:**

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

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

The details of the Equity Shares held by our Promoters and members of our Promoter Group, including details of Equity Shares which are locked-in, pledged or encumbered can be accessed on the website of BSE.

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540377&qtrid=120.00&QtrName=December%202023>

3. **Details of Equity Shares acquired by the promoters and promoter group in the last one year prior to the filing of this Letter of Offer, except as mentioned below, no Equity Shares have been acquired by the other Promoters or members of Promoter Group in the last (1) one year immediately preceding the date of filing of this Letter of Offer:**

| Name of the Promoter & Promoter Group | Number of Equity Shares acquired | Mode of Acquisition | Date of Acquisition |
|---------------------------------------|----------------------------------|---------------------|---------------------|
| Mr. Nishant Subhashchandra Gandhi | Pre-holding: 1,10,172 | Open offer | March, 31, 2022 |

| | | | |
|--|------------------|---------------------|----------------------|
| | 1,10,172 | Bonus issue (1:1) | Sep 22, 2022. |
| | *22,03,440 | Shares Split | As on April 24, 2023 |
| | 5,50,860 | Bonus issue (1:4) | April 24, 2023 |
| | 1,00,000 | Through open market | Nov 09, 2023 |
| | 11,50,251 | Through open market | Nov 09, 2023 |
| | 4,00,455 | Bonus issue (1:10) | Dec 18, 2023 |
| | 12,50,000 | Through open market | Dec 20, 2023 |
| | Total: 56,55,006 | | |

*Split of equity shares from face value of Rs. 10/- (Ten) per share to face value of Rs. 1/- (One) per equity share of the company as on 12/04/2023.

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

Promoter may renounce its Right Entitlement in favour of third parties, therefore, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations might apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% 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 rate as prescribed under the applicable laws.

5. The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is Rs. 1.31/- per equity share.

6. Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations.

(i) The shareholding pattern of our Company, as on December 31, 2023, can be accessed on the website of the BSE:

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540377&qtrid=120.00&QtrName=December%202023>

(ii) The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Public" including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE <https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540377&qtrid=120.00&QtrName=December%202023>

7. At any given time, there shall be only one denomination of the Equity Shares of our Company.

Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up

This Space has been left blank intentionally.

OBJECTS OF THE ISSUE

The Issue comprises of an issue of up to 49,52,69,896 Equity Shares, aggregating up to ₹ 4,952.69/- lakhs by our Company. For details see "**The Issue**" beginning on page 36 of this Letter of Offer.

Our Company intends to utilize the proceeds of the Issue towards the following objects:

The objects of the issue are:

1. To Meet working capital of our company
2. General Corporate Purposes; and
3. Issue Expenses.

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

We intend to utilize the gross proceeds raised through the Issue (the "**Issue Proceeds**") after deducting the Issue related expense ("**Net Proceeds**") for the above-mentioned Objects.

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

The details of objects of the Issue

| Particulars | Amount (in lakhs) |
|----------------------------------|-------------------|
| Gross proceeds from the Issue | 4,952.69* |
| Less: Issue related expenses | 50.00 |
| Net Proceeds of the Issue | 4,902.69 |

**The issue size will not exceed ₹ 4952.69/- lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose.*

Requirement of Funds:

| S. No. | Particulars | Total estimated amount to be utilized (₹ in lakhs) |
|--------|--|--|
| 3. | To Meet working capital of our company | 3,664.52 |
| 4. | General Corporate Purposes | 1,238.17 |
| 5. | Issue related expenses | 50.00 |
| | Total | 4,952.69 |

** The amount utilized towards general corporate purposes shall not exceed 25% of the Gross Proceeds.*

Means of Finance

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

Utilization of Net Proceeds

Our Company proposes to deploy the Net Proceeds in the aforesaid objects as follows:

| S. No. | Particulars | Total estimated amount to be utilized |
|--------|--|---------------------------------------|
| 1. | To meet working capital requirement of our company | 3,664.52 |
| 2. | General Corporate Purposes | 1,238.17 |
| | Total | 4,902.69 |

Details of the Objects of the Issue

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

1. Meeting Working Capital Requirements

Our business is predominantly working capital intensive. We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals, however this time to strengthen the margins and financials strength of the Company we propose to part fund the Working Capital Requirements from the net proceeds of proposed Right Issue as details herein below:

| (₹ in lakhs) | | |
|--------------|--|---------------------------------------|
| S. No. | Particulars | Total estimated amount to be utilized |
| 1. | To meet working capital requirement of our company | 3664.52 |

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

The details of Working Capital Requirement is as under:

| (Amount in Lakhs) | | | | | | |
|---|----------------|----------------|-----------------|-------------------|-----------------|-----------------|
| Statement of Working Capital Requirements | | | | | | |
| | March 31, 2021 | March 31, 2022 | March 31, 2023 | December 31, 2023 | March 31, 2024 | March 31, 2025 |
| | (Restated) | (Restated) | (Restated) | (Restated) | (Estimated) | (Estimated) |
| Current Assets | | | | | | |
| Inventories | 183.70 | - | 100.34 | 29.77 | 157.39 | 2,242.86 |
| Current Investments | 74.25 | - | - | - | - | - |
| Trade Receivables | 174.70 | 14.40 | 393.51 | 505.84 | 596.98 | 2,535.42 |
| Cash & Cash Equivalents | 4.58 | 143.31 | 13.49 | 61.39 | 190.95 | 346.56 |
| Short-term Loans and Advances | 124.04 | 392.10 | 1638.61 | 1540.70 | 1,200.00 | 950.00 |
| Other Current Assets | 5.47 | - | 3.46 | 88.86 | 100.00 | 1,092.11 |
| Total (A) | 566.74 | 549.81 | 2,149.40 | 2,226.56 | 2,245.32 | 7166.95 |
| Current Liabilities | | | | | | |
| Short-Term borrowings | - | - | - | 26.51 | 21.28 | 0.00 |
| Trade Payables | 0.96 | 0.10 | 33.78 | 123.50 | 155.58 | 241.93 |
| Other financial liabilities | 2.36 | 4.14 | 25.55 | 68.75 | 26.47 | 170.82 |
| Other Current Liabilities | 0.06 | 0.25 | 203.45 | 1.28 | 150.00 | 75.00 |
| Total (B) | 3.37 | 4.49 | 262.78 | 220.05 | 353.33 | 487.75 |
| Net Working Capital (A)-(B) | 563.37 | 545.32 | 1,886.62 | 2,006.51 | 1,891.99 | 6,679.20 |
| Incremental net working capital | | | | | | 4,787.22 |
| Sources of Working Capital | | | | | | |

| | | | | | | |
|---------------------------|---------------|---------------|-----------------|-----------------|-----------------|-----------------|
| Proceeds from Right Issue | - | - | - | - | - | 3,664.52 |
| Internal Accruals | 563.37 | 545.32 | 1,886.62 | 2,006.51 | 1,891.99 | 1,122.70 |

The major reasons behind the increase in the working capital requirements of our company in the last 3 Financial years and stub period are as follows:

Growth in Revenue and Expansion in Business Activities:

In the year 2021, the Company was acquired by current promoter through Share Purchase Agreement (SPA) dated December 09, 2021 and Letter of Offer dated February 01, 2022 in terms of Regulation 4 of SEBI (SAST) Regulations, 2011.

The new management of the Company decided to change business strategy of the Company e.g. extending credit period to customers, providing advances to its suppliers. As a result, the Company was able to attract more customers, leading to a revenue increase to Rs. 554.56/- Lakh in the FY 2022-2023 from revenue of Rs. 145.63/- Lakhs in FY 2021-2022 and correspondingly the losses of the Company were converted into profit during the FY 2022-23.

Further, the Company is going to extend the business into Agri-Commodity Business, which required additional investment. This investment will be directed towards enhancing our procurement processes, expanding our product range, and investing in sustainable agricultural practices. Our aim is to solidify our position in the market, improve supply chain efficiency, and respond effectively to the growing demand for agri-commodities. The inventory days from 82 days in 2023-24 will be increased to 215 days due to increase in stocking of the agri-comodities products to meet customer demand.

Addition to the Agri-comodities business remaining fund will be allocated to stock trading business. This fund will be used to diversify portfolio, implement advanced trading tools and technologies, and capitalize on emerging market opportunities. The focus will be on optimizing our trading strategies, enhancing risk management, and achieving superior returns for our investments.

This decision has been made with the future growth and sustainability of both sectors in mind. The allocated funds are expected to bolster our market position, enhance operational capabilities, and generate significant returns on investment, thereby contributing to the overall growth, the Company is expecting to increase its sales which will lead to increase in trade receivable and inventory which will impact the working capital requirement for FY 2025 as compare to F.Y.2024.

The expansion and increased business activities of the Company, required higher levels of working capital to support larger sales volumes and a serve a larger customer base.

Assumption of working capital requirement

Holding levels and justifications for holding period levels based on the Restated Financial Statements.

| Particulars | <i>(in days)</i> | | | | | |
|-----------------------------------|------------------|---------|---------|-----------|---------|---------|
| | 2020-21 | 2021-22 | 2022-23 | 31-Dec-23 | 2023-24 | 2024-25 |
| No. of Days for Trade Payables | 2 | 21 | 21 | 83 | 75 | 15 |
| No. of Days for Trade Receivables | 469 | 36 | 259 | 222 | 259 | 200 |
| No. of Days for Inventory Days | 506 | - | 75 | 17 | 82 | 215 |

Justifications for Holding Period levels:

| | |
|---------------------------|--|
| Trade Payable Days | The outstanding dues to trade payables for the period ending December 31, 2023, and for the financial years ended on March 31, 2023, 2022, and 2021 were Rs. 123.50/- Lakhs, Rs. 33.78/- Lakhs, Rs. 0.10/- Lakhs, and Rs. 0.96/- Lakhs respectively. The holding periods for our trade payables for the period ending December 31, 2023, and for the financial years 2023 and 2021 were 83 days, 21 days, and 2 days respectively. Notably, there were no significant trade payables and purchases in the financial year 2022 due to the company being in a transitional phase following a change in management. |
|---------------------------|--|

| | |
|--------------------------------------|---|
| | Using the net proceeds from the IPO, we aim to expedite payments to our suppliers, thereby capitalizing on potential cash discounts and enhancing our negotiation leverage. Consequently, we anticipate a reduction in the cost of procuring goods. We estimate that the trade payables holding periods for the financial years ending on March 31, 2024, and 2025 will be 75 days and 15 days respectively. |
| Trade Receivable Days | <p>Debtor days are computed based on the restated standalone financial statements of the Company (revenue from operation) and analysing the trend. For the financial year 2021, debtor holding was 469 days. However, this decreased significantly to 36 days in the financial year 2022. This reduction was attributed to the transition phase of the Company during FY 21-22, marked by a change in management. The current management successfully collected outstanding debts from debtors and settled payments with trade creditors.</p> <p>During the financial year 2022-23, the Company began offering extended credit periods to customers, resulting in the acquisition of more customers and a significant increase in revenue. As a consequence, the debtor holding period extended to 259 days for FY 22-23.</p> <p>For the financial year 2024, the Company has projected the debtor holding days to be 259 days of revenue from operations. Furthermore, for the financial year 2025, it is anticipated to be 200 days of revenue from operations.</p> |
| Inventory | <p>Inventory days are derived from restated standalone financial statements of the Company (consumption of material). In the financial years 2021 and 2023, the inventory holding periods were 506 and 75 days respectively. There was no inventory in the financial year 2022 due to a management change, during which the company was undergoing a turnaround process.</p> <p>Considering the unique nature of the company's operations, including agricultural commodities and share trading, there isn't a fixed inventory holding period. However, the company has projected inventory holding levels of 82 days for the financial year 2024 and 215 days for the financial year 2025. These projections are made to accommodate the specific requirements of the business and to ensure effective management of inventory throughout the coming years.</p> |
| Other Current Liabilities | Other current liabilities are computed from the historic restated financial information include, statutory dues payable and advances from customer. |
| Other Financial liabilities | Other financial liabilities are computed from the historic restated financial information and include, provision for employee benefits, expenses payable and provision for taxation. Other financial liabilities have been maintained in line with the increase of projected business income/expenses for the forthcoming years. |
| Short-term Loans and Advances | Short term loan and advances include loan and advances given for business purposes. Short term loans and advances have been maintained in line with anticipated expansion of operations, necessitating advance payments to facilitate more business in the coming years. |
| Other Current Assets | Other current assets include, prepaid insurance expenses, Duty and taxes recoverable, accrued interest. |

2. General Corporate Purpose

In terms of Regulation 62(2) of the SEBI ICDR Regulations, the extent of the Issue Proceeds proposed to be used for General Corporate Purposes shall not in the aggregate exceed 25% of the Gross Proceeds of the Issue. Our Board will have flexibility in compliance with the companies Act, 2013 and all applicable laws in applying the balance amount after utilizing the amount for acquisition of business targets towards General Corporate Purposes, including repayment

of outstanding loans, meeting our working capital requirements, capital expenditure, funding our growth opportunities, including strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, administration expenses, insurance related expenses, meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act, 2013.

Our management will have flexibility in compliance with the companies Act, 2013 and all applicable laws in utilizing any amounts for General Corporate Purposes under the overall guidance and policies of our Board. The quantum of utilization of funds towards any of the purposes will be determined by the Board, based on the amount available under this head and the business requirements of our Company, from time to time.

3. Expenses for the issue

The Issue related expenses consist of fees payable to Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchanges. Our Company will need approximately ₹ 50/- lakhs towards these expenses, a break-up of the same is as follows:

| Activity | Estimated Expense | % of Total Expenses | (₹ in lakhs) |
|--|-------------------|---------------------|----------------------|
| | | | As a % of Issue size |
| Fees payable to the intermediaries (including Legal Counsel fees, selling commission, registrar fees and expenses) | 6.5 | 13 | 0.13 |
| Advertising, Printing, stationery and distribution Expenses | 15.00 | 30 | 0.30 |
| Statutory and other Miscellaneous Expenses | 28.5 | 57 | 0.57 |
| Total | 50.00 | 100 | 1 |

Appraisal

None of the Objects of the Issue have been appraised by any agency.

Schedule of Implementation and Deployment of Funds

As estimated by our management, the entire proceeds received from the issue would be utilized during FY 2024- 25.

Deployment of Funds towards the Objects of the Issue

We have incurred ₹ 41.50/- Lakhs (Forty-One Lakhs Fifty Thousand) up to March 29th, 2024 towards the Objects of the Issue which has been certified by M/s Kapish Jain & Associates, vide his certificate dated April 04th, 2024. The said amount has been met by the Company from its own resources and the same will be adjusted against the issue proceeds.

Bridge Financing Facilities

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

Monitoring of Utilization of Funds

Since the proceeds from the Issue are less than ₹10,000/- lakhs, in terms of Regulation 41(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI Listing Regulation, the Rights Issue Committee appointed by the Board would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Balance Sheet of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the SEBI Listing Regulation, the Company shall, on a quarterly basis, disclose to the

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

Interim Use of Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility in compliance with the companies Act, 2013 and all applicable laws to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company intends to deposit the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934 or make any such investment as may be allowed by SEBI from time to time.

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

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

Clause for Promoter Subscription

The Promoter may renounce its Right Entitlement in favour of third parties, the minimum subscription criteria provided under Regulation 86 (1) of the SEBI ICDR Regulations might apply to this Issue. In accordance with Regulation 86 of the SEBI ICDR Regulations, if our Company does not receive minimum subscription of at least 90% 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 rate as prescribed under the applicable laws.

Strategic or financial partners

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

Variation in objects

In accordance with applicable provisions of the Companies Act, 2013 and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the 'Postal Ballot Notice') shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

Key Industry Regulations for the objects of the issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except as disclosed above, there are no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoters, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration our directors, or Key Managerial Personnel. Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF SPECIAL TAX BENEFITS



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110002 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

STATEMENT OF POSSIBLE TAX BENEFITS

To,
**The Board of Directors,
IFL Enterprises Limited**
A-607, Prahladnagar Trade Center Radio Mirchi Road,
Vejalpur, Ahmedabad, Gujarat, India, 380015

Dear Sirs,

Sub: Statement of possible Special tax benefit ('the Statement') available to IFL Enterprises Limited, its shareholders and its material subsidiaries prepared in accordance with the requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')

We hereby confirm that the enclosed annexure, prepared by "IFL Enterprises Limited" ("the Company") states the possible special tax benefits available to the Company, its shareholders and its material subsidiaries (Yamunashaktam Tradeventures Private Limited) of the Company under the Income tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India (together "Tax Laws") for inclusion in the Draft Letter of Offer and/or Letter of Offer which the Company intends to issue in respect of the proposed Issue of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders or its material subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws Hence, the ability of the Company or its shareholders or its material subsidiaries to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company, its Shareholders and its material subsidiaries do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Tax Laws and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

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

- the Company or its Shareholders or its material subsidiaries will continue to obtain these benefits in future;



- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders or its material subsidiaries in the Draft Letter of Offer and/or Letter of Offer which the Company intends to issue in respect of the proposed Issue of equity shares and the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

Limitations

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The enclosed Annexure is intended solely for your information and for inclusion in the Draft Letter of Offer and/or Letter of Offer or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Signed in terms of our separate report of even date.

For Kapish Jain & Associates,

Chartered Accountants,

Firm Registration No: 022743N



Kapish Jain

Partner

Membership No: 514162

UDIN: 24514162BKBHUN2423

Place: New Delhi

Date: 16 March 2024

Annexure to the statement of possible Tax Benefits

Outlined below are the possible Special tax benefits available to the Company, its shareholders and its material subsidiaries under the Income Tax Act, 1961 as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023 forced in India. It 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 Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

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

1. Special Tax Benefits available to the Company:

The Company is not entitled to any Special tax benefits under the Tax Laws.

2. Special Tax Benefits available to the shareholders of the Company

The Shareholders of the company are not entitled to any Special tax benefits under the Tax Laws.

3. Special Tax Benefits available to the material subsidiaries of the Company

The material subsidiaries of the Company are not entitled to any Special tax benefits under the 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.

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.

Signed in terms of our separate report of even date.

For Kapish Jain & Associates,

Chartered Accountants,

Firm Registration No: 022743N




CA Kapish Jain

Partner

Membership No: 514162

UDIN: 24514162BKBHUN2423

Place: New Delhi

Date: 16 March 2024

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

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

*Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Letter of Offer, including the information in the sections "**Risk Factors**" and "**Financial Information**" beginning on pages 19 and 92 respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 19 of this Letter of Offer.*

GLOBAL SCENARIO

Global growth is projected to fall from an estimated 3.5 percent in 2022 to 3.0 percent in both 2023 and 2024. While the forecast for 2023 is modestly higher than predicted in the April 2023 World Economic Outlook (WEO), it remains weak by historical standards. The rise in central bank policy rates to fight inflation continues to weigh on economic activity. Global headline inflation is expected to fall from 8.7 percent in 2022 to 6.8 percent in 2023 and 5.2 percent in 2024. Underlying (core) inflation is projected to decline more gradually, and forecasts for inflation in 2024 have been revised upward.

The recent resolution of the US debt ceiling standoff and, earlier this year, strong action by authorities to contain turbulence in US and Swiss banking reduced the immediate risks of financial sector turmoil. This moderated adverse risks to the outlook. However, the balance of risks to global growth remains tilted to the downside. Inflation could remain high and even rise if further shocks occur, including those from an intensification of the war in Ukraine and extreme weather-related events, triggering more restrictive monetary policy. Financial sector turbulence could resume as markets adjust to further policy tightening by central banks. China's recovery could slow, in part as a result of unresolved real estate problems, with negative cross-border spillovers. Sovereign debt distress could spread to a wider group of economies. On the upside, inflation could fall faster than expected, reducing the need for tight monetary policy, and domestic demand could again prove more resilient.

In most economies, the priority remains achieving sustained disinflation while ensuring financial stability. Therefore, central banks should remain focused on restoring price stability and strengthen financial supervision and risk monitoring. Should market strains materialize, countries should provide liquidity promptly while mitigating the possibility of moral hazard. They should also build fiscal buffers, with the composition of fiscal adjustment ensuring targeted support for the most vulnerable. Improvements to the supply side of the economy would facilitate fiscal consolidation and a smoother decline of inflation toward target levels.

Under our baseline forecast growth will slow from last year's 3.5 percent to 3 percent this year and next, a 0.2 percentage points upgrade for 2023 from our April projections. Global inflation is projected to decline from 8.7 percent last year to 6.8 percent this year, a 0.2 percentage point downward revision, and 5.2 percent in 2024.

The slowdown is concentrated in advanced economies, where growth will fall from 2.7 percent in 2022 to 1.5 percent this year and remain subdued at 1.4 percent next year. The euro area, still reeling from last year's sharp spike in gas prices caused by the war, is set to decelerate sharply.

By contrast, growth in emerging markets and developing economies is still expected to pick-up with year-on-year growth accelerating from 3.1 percent in 2022 to 4.1 percent this year and next. (The corresponding annual growth, shown on the chart below, is 4 percent for 2022 and 2023 and 4.1% for 2024.)

Growth projections

The global economic outlook for this year is slightly brighter, but growth remains weak.

(GDP, percent; year-on-year)



Sources: IMF, World Economic Outlook; and IMF staff calculations.
 Note: The 3% global growth estimate for 2023 reflects upgrade from 2.8% in the April World Economic Outlook.

IMF

This average, however, masks significant differences between countries, with emerging and developing Asia growing strongly at 5.3 percent this year, while many commodity producers will suffer from a decline in export revenues.

Global trade will continue to face multiple challenges in 2023 as inflation and high interest rates, debt distress and geopolitical frictions weigh on many economies. The downside risks to the global economy and international trade are significant, ranging from an escalation of Russia’s war on Ukraine to deepening tensions between the US and China.

‘Reglobalization’ – rather than deglobalization – best describes the current pattern of economic integration and fracturing across different economies and sectors. Globalization is far from finished, but will increasingly emphasize greater regional links and the formation of economic blocs for sensitive and strategically important sectors. Comprehensive decoupling from China is neither achievable nor desirable for the G7 and like-minded partners.

The supply-chain disruptions of 2020–22 will continue to ease. Given that extreme weather events are the biggest threat to global production networks, supply-chain resilience and diversification efforts will persist, with added impetus to act on ‘greening’ trade.

The future of trade is closely linked to the transition to green and digital economies. As climate ambitions and technological leadership are intertwined with industrial policy objectives, concerns about unfair trade practices and protectionism are coming to a head not just as regards China, but also among the US, the EU and like-minded partners.

With major breakthroughs at the World Trade Organization unlikely in 2023, limited progress can be expected in some bilateral, regional and sectoral agreements. Meanwhile, efforts to avoid further trade fragmentation will progress more readily under Japan's G7 presidency than under India's G20 presidency.

Greater cooperation to build a more inclusive, sustainable and resilient trade system can help drive economic growth at a time when many countries are already in or entering an economic downturn.

How successfully China navigates the reversal of its zero-COVID policy and the country's economic reopening may be the most consequential determinant – and source of uncertainty – for the global economy and trade in 2023. Interconnected global crises – the scarring economic impacts of the pandemic and uneven recovery, compounded by high inflation, debt distress as well as energy and food insecurity following Russia's invasion of Ukraine – are likely to cast a long shadow over international trade. There is a significant risk that the Russia–Ukraine war could escalate, and that US–China strategic competition will increase.

But even if these risks do not materialize, 2023 will likely see a continuation of three major shifts in global trade:

First, an increasing confluence of national security and economics will intensify the geopolitical aspects of trade. Second, efforts to reconfigure supply chains will continue to prioritize (at least in rhetoric) shifts from dependence to diversification. And third, while globalization will not go into reverse, it will continue to change in nature through the emphasis on greater regional links amid the formation of blocs for critical and sensitive sectors of the economy. However, full-scale decoupling from China is neither achievable nor desirable for the G7 and like-minded countries.

For the G7, under Japan's presidency, responding to economic coercion that Beijing has applied to some trading partners and addressing concerns regarding China's non-market economy policies and practices will be a major focus in 2023.

Global trade cooperation at the WTO will remain highly challenging, and is unlikely to deliver any breakthrough achievements ahead of the 13th ministerial conference in February 2024. Plurilateral negotiations among a sub-group of WTO members – most importantly talks on e-commerce – stand a better chance of success by the end of this year.

Trade and the transition to green and digital economies

The future of trade is both green and digital. A number of trade policy tools and models for managing cooperation and competition are emerging, a trend that will likely accelerate during 2023.

Transatlantic tensions have flared over the US's Inflation Reduction Act, signed into law by President Joe Biden in August 2022. These centre on the EU's concerns – also shared by countries including the UK, Japan and South Korea – over US tax credits that favour North American-made electric vehicles and subsidies for renewables that the US's trade partners see as unfair and discriminatory. While the EU has welcomed the act's potential contribution to tackling climate change, the legislation has led to an outcry in the bloc over fears that the incentives offered could redirect investment from the EU to the US – especially at a time when lower energy prices in the US also lure European investors. The European Commission has threatened to bring the dispute to the WTO (although this is increasingly unlikely) and announced a Green Deal Industrial Plan, which includes temporarily adapting EU state aid rules in response to the US subsidies.³⁸ The two sides are trying to resolve the issues via the US–EU Task Force on the Inflation Reduction Act. But while some compromises are likely that could widen the scope for EU firms to benefit from the act's provisions, its overall thrust will not change. Avoiding a transatlantic trade war over climate is desirable for both sides in order to accelerate the low carbon transition and to reduce dependence on China-heavy supply chains for critical minerals and batteries used in electric vehicles.

Under a provisional deal reached by European co-legislators in December 2022,⁴⁰ the EU's Carbon Border Adjustment Mechanism (CBAM) will enter into force on 1 October 2023. Initially, the mechanism will only cover products, from a limited number of carbon-intensive sectors, that are deemed to be at higher risk of carbon leakage (such as iron and steel, cement, fertilizers, aluminium, electricity and hydrogen, as well as some precursors and a limited number of downstream products). After a three-year transition phase during which only reporting obligations apply, CBAM will start in 2026 and become fully operational by 2034, requiring EU importers to purchase certificates equivalent to the EU carbon price. While CBAM is stated to be designed in full compliance with WTO rules, the question of compatibility remains and will also come down to how the mechanism is implemented. Moreover, political sensitivities persist, including concerns about the impact on developing countries. Beyond CBAM, other parts of the EU's Green Deal (for example its new regulation on deforestation-free supply chains) have the potential to reshape global trade.

“Climate action is still not very high on Japan’s political agenda, but a focus on energy security could stand a better chance of success under its G7 presidency in 2023.”

The idea of a ‘Climate Club’ gained traction in 2022, when Germany used its G7 presidency to propose the creation of an alliance of countries committed to stronger action on climate change. In December, G7 members endorsed the terms of reference and agreed ‘to support further development of the Climate Club towards a full launch in 2023, ideally by COP28’. With Japan holding the G7 presidency in 2023, however, the Climate Club is unlikely to remain a focal point for the grouping. Climate action is still not very high on Tokyo’s political agenda, but a focus on energy security could stand a better chance of success under Japan’s G7 presidency. Meanwhile, the Climate Club discussions will be shifted to an interim secretariat (to be hosted by the Organisation for Economic Co-operation and Development, in tandem with the International Energy Agency) and a Climate Club Task Force (chaired by Germany and a yet-to-be-determined Climate Club member from beyond the G7).

As already noted, the WTO is a key forum for advancing discussions at the nexus of trade and sustainability. Three separate environmental initiatives were launched in 2021 to make progress on plastics pollution, reform of fossil fuel subsidies, and environmental sustainability. Technical discussions over the course of 2023 are intended to lead to concrete outcomes by the time of the 13th WTO ministerial conference, although political will is ultimately going to be the deciding factor for how much progress can be achieved.

Semiconductors play an important role in the transition to green and digital economies. The US CHIPS and Science Act, signed into law by President Biden in August 2022, provides \$ 52.7 billion for American semiconductor research, development, manufacturing and workforce development. Similarly, the proposed EU Chips Act (which is expected to be adopted in 2023) seeks to mobilize €43 billion in investment for the EU’s semiconductor sector by 2030. There is a risk of a subsidy race between the US and the EU, despite both sides vowing to avoid this and to instead cooperate on creating secure semiconductor supply chains. Another risk concerns friction over the Biden administration’s efforts to get European governments, among others, to fall in line with US controls on semiconductor technology exports to China.

Many of the US’s recent legislative initiatives – including the CHIPS and Science Act, the Inflation Reduction Act and the Infrastructure Investment and Jobs Act – indicate a shift away from a more market-oriented framework towards embracing industrial policy. This more interventionist approach will have a fundamental impact on trade flows as well as on the US’s relations with major trading partners, not least in the form of tensions with the EU over subsidies.

“The US’s more interventionist approach will have a fundamental impact on trade flows as well as on its relations with major trading partners.”

The evolving landscape of digital regulation in the EU – exemplified by the entry into force of the Digital Services Act and the Digital Markets Act in November 2022, as well as the pending proposals for the Artificial Intelligence Act – is aimed at strengthening European digital sovereignty and competitiveness. But the full effect of these rules governing the internet and the digital economy remains to be seen. 2023 will be a critical year, as the Digital Markets Act starts to apply and as progress on the Artificial Intelligence Act could bring about its adoption before the year ends.

New governance models concerning digital trade are emerging. For example, the Digital Economy Partnership Agreement (DEPA) between Singapore, New Zealand and Chile entered into effect in 2021. This has been hailed as a landmark agreement on digital trade – not only in terms of its provisions, but also in its approach to allowing parties to make continual updates and other countries to adopt DEPA modules into their own trade agreements. DEPA is designed to be open to all WTO members – and Canada, China and South Korea have already applied to join.

The UK is also at the forefront of initiatives on digital trade, as evidenced by its constructive role in the WTO and G7 as well as its approach to trade and digital economy agreements. For example, the UK-Singapore Digital Economy Agreement entered into force in June 2022, and is the first such agreement between a European and an Asian country.

Important developments on digital trade in 2023 will likely focus on promoting inclusive and sustainable growth of the digital economy, while preventing further digital policy fragmentation. Hopes remain that the negotiations on e-commerce that are currently taking place among WTO members can be finalized before the end of 2023. While such progress would represent a significant accomplishment, it should also be noted that major digital economies – among them India – are not participating in the plurilateral discussions because of both substantive issues (e.g. the contested issue of free flow of data across borders) and procedural matters (e.g. general concerns that the plurilateral process erodes the integrity of the multilateral WTO framework).

“The UK is also at the forefront of initiatives on digital trade, as evidenced by its constructive role in the WTO and G7 as well as its approach to trade and digital economy agreements.”

In 2023–24, WTO members will once again debate whether to maintain the current practice of not imposing customs duties on electronic transmissions. The so-called e-commerce moratorium has been renewed at every ministerial conference since its adoption in 1998, and will remain in effect until the next. However, there is a high chance that it will not be renewed at the 13th ministerial conference (India’s ongoing concerns regarding tariff revenue losses being just one likely obstacle to renewal). Letting the moratorium expire would not only hurt digital trade, but would also represent a significant setback for the WTO’s relevance and credibility.

Thus, in 2023 and beyond, most progress on updating trade rules to address technological change will happen outside the traditional WTO structures. Japan’s G7 presidency in 2023 could seek to advance cooperation on ‘data free flow with trust’ – a concept that Japan proposed under its G20 presidency in 2019. But India’s G20 presidency in 2023 is not likely to give great impetus to cooperation on digital trade given the country’s stance on data regulation and cross-border data flows.

Indian retail industry 2023

The market after 2021 has been an eye-opening time for the Indian retail sector. The industry saw a decline of 8.5% in FY 2021, but it recovered in 2022 to reach \$836 billion with 81.5% contribution from traditional retail. However, the COVID-19 disruptions led to a rapid increase in e-commerce and digital adoption. Now, brands across segments are concentrating on increased online presence and direct sales as customers continue to shop online.

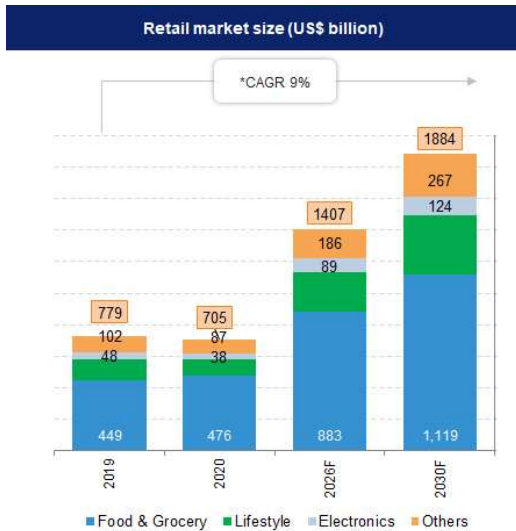
Quite interestingly, shoppers from Tier II and Tier III cities make up over 61 percent of the total market share in FY 2022 in comparison to 53.8 percent in FY 2021. While Tier I cities have a lesser growth rate for e-commerce at 47.2 percent, tier II and III cities showcased growth of 92.2 percent and 85.2 percent, respectively. In 2023, tier II and III cities dominance is likely to continue. Looking at the way Indian retail industry is moving, 2023 will be the year to watch.

Encouragingly, India has had a boom in attracting international companies over the past few years; it is now the fifth-largest global destination for retail. The industry growth is riding on several factors, including rising disposable incomes, exposure of Gen Z to international brands, and ease of doing business.

Even if we only consider the government’s initiatives from 2021, the retail sector is in for fascinating times as we enter the new year. These actions would soon show their benefits; the transformation has already begun, paving the way for a more noticeable impact. The adoption of digital payments pushed by the new framework for retail digital payments in offline mode has created a more accurate and efficient environment making it easier for customers to make purchases or complete transactions. Time is money, as they say, and the digital transformation has ensured that the time saved is compounded by allocating additional resources to other parts of business improvement.

The central government has allowed 100 percent FDI in the online retail of products and services via the automatic route. Additionally, we have news on the inclusion of retail and wholesale trades as MSMEs, which would give these trades access to loans for the priority sector. The government’s promotion of digital transformation on the war front has been the best thing to happen, and the retail industry is just one of the many sectors that have benefited from this revolutionary innovation.

Strong growth in the Indian retail industry



According to data released by the Ministry of Statistics & Programme Implementation (MoSPI), India's Consumer Price Index (CPI) based retail inflation stood at 6.44% YoY in February 2023.

- According to the Retailers Association of India (RAI), the retail industry has experienced moderate growth over the last year as consumers are getting into regular business routines, which accounts for the high base in April and May 2023.
- Indian retail market is expected to reach US\$ 1.1 trillion by 2027 and US\$ 2 trillion by 2032.
- India is one of the most promising and developing marketplaces in the world. There is a great deal of desire among multinational corporations to take advantage of the consumer base in India and to enter the market first. Due to India's wealth of resources, availability of labour at relatively low costs, and special investment wages such tax breaks, etc., foreign corporations prefer to invest here.
- India is the fifth largest and preferred retail destination globally. The country is among the highest in the world in terms of per capita retail store availability.
- As per Kearney Research, India's retail industry is projected to rise at a slower pace of 9% between 2019 and 2030, from US\$ 779 billion in 2019 to US\$ 1,407 billion by 2026 and more than US\$ 1.8 trillion by 2030.
- India's retail sector was experiencing exponential growth with retail development taking place not just in major cities and metros, but also in small cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, and changing consumer tastes and preferences have been some of the factors driving growth in the organised retail market in India.

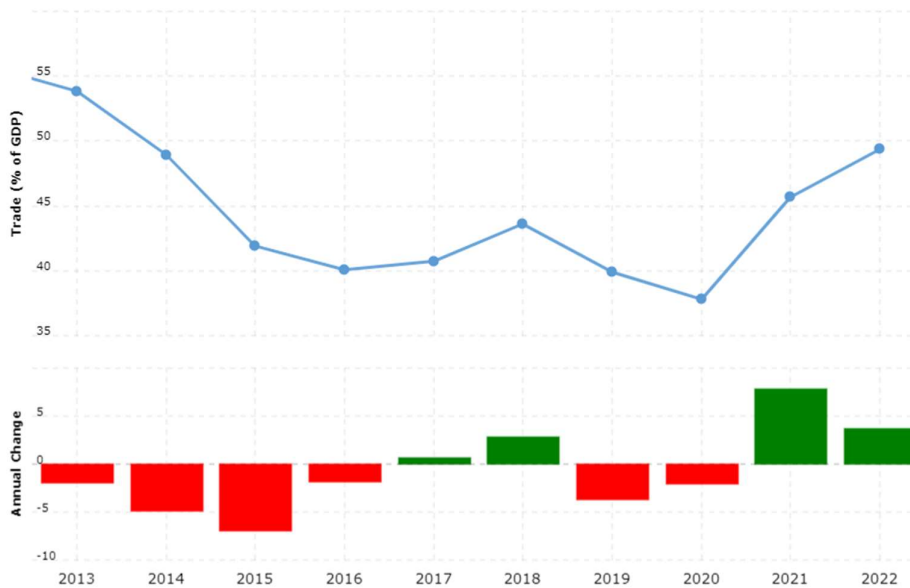
Note: *CAGR up to 2018, F - Forecast, ^as per CRISIL

Source: indiaretailing.com, BMI Research, Consumer Leads report by FICCI and Deloitte - October 2018, News Articles

India Trade to GDP Ratio

Trade is the sum of exports and imports of goods and services measured as a share of gross domestic product.

- India trade to GDP ratio for 2022 was 49.37%, a 3.71% increase from 2021.
- India trade to GDP ratio for 2021 was 45.67%, a 7.86% increase from 2020.
- India trade to GDP ratio for 2020 was 37.80%, a 2.1% decline from 2019.
- India trade to GDP ratio for 2019 was 39.91%, a 3.71% decline from 2018.



Data Source: World Bank

Indian retail industry has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. It accounts for over 10% of the country's gross domestic product (GDP) and around eight % of the employment. India is the world's fifth-largest global destination in the retail space. India ranked 73 in the United Nations Conference on Trade and Development's Business-to-Consumer (B2C) E-commerce Index 2019. India is the world's fifth-largest global destination in the retail space and ranked 63 in the World Bank's Doing Business 2020. The retail sector in India accounts for over 10% of the country's GDP and around 8% of the workforce (35+ million). It is expected to create 25 million new jobs by 2030.

The sizeable middle class and nearly unexplored retail market in India are the main enticing factors for international retail behemoths seeking to move into newer markets, which will help the Indian retail business grow more quickly. The urban Indian consumer's purchasing power is increasing, and branded goods in categories like apparel, cosmetics, footwear, watches, beverages, food, and even jewellery are gradually evolving into business and leisure that are well-liked by the urban Indian consumer. The retail sector in India is expected to reach a whopping US\$ 2 trillion in value by 2032, according to a recent analysis by the Boston Consulting Group (BCG).

India is the world's fifth-largest global destination in the retail space. In the FDI Confidence Index, India ranked 17 (after US, Canada, Germany, United Kingdom, China, Japan, France, Australia, Switzerland, and Italy).

India is one of the most promising and developing marketplaces in the world. There is a great deal of desire among multinational corporations to take advantage of the consumer base in India and to enter the market first. Nearly 60 shopping malls encompassing a total retail space of 23.25 million sq. ft are expected to become operational during 2023-25.

India ranks among the best countries to invest in Retail space. Factors that make India so attractive include the second largest population in the world, a middle-income class of ~158 households, increasing urbanization, rising household incomes, connected rural consumers, and increasing consumer spending.

As of 2021, there were 1.2 million daily e-commerce transactions. Online shoppers in India are expected to reach ~500 million in 2030 from +150 million in 2020. The E-Commerce market is expected to touch US\$ 350 billion in GMV by 2030.

India's retail sector was experiencing exponential growth with retail development taking place not just in major cities and metros, but also in small cities. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, and changing consumer tastes and preferences have been some of the factors driving growth in the organised retail market in India.

To improve the business climate and make it simpler for foreign companies to register fully owned subsidiaries in India, the Indian government has implemented a number of rules, regulations, and policies.

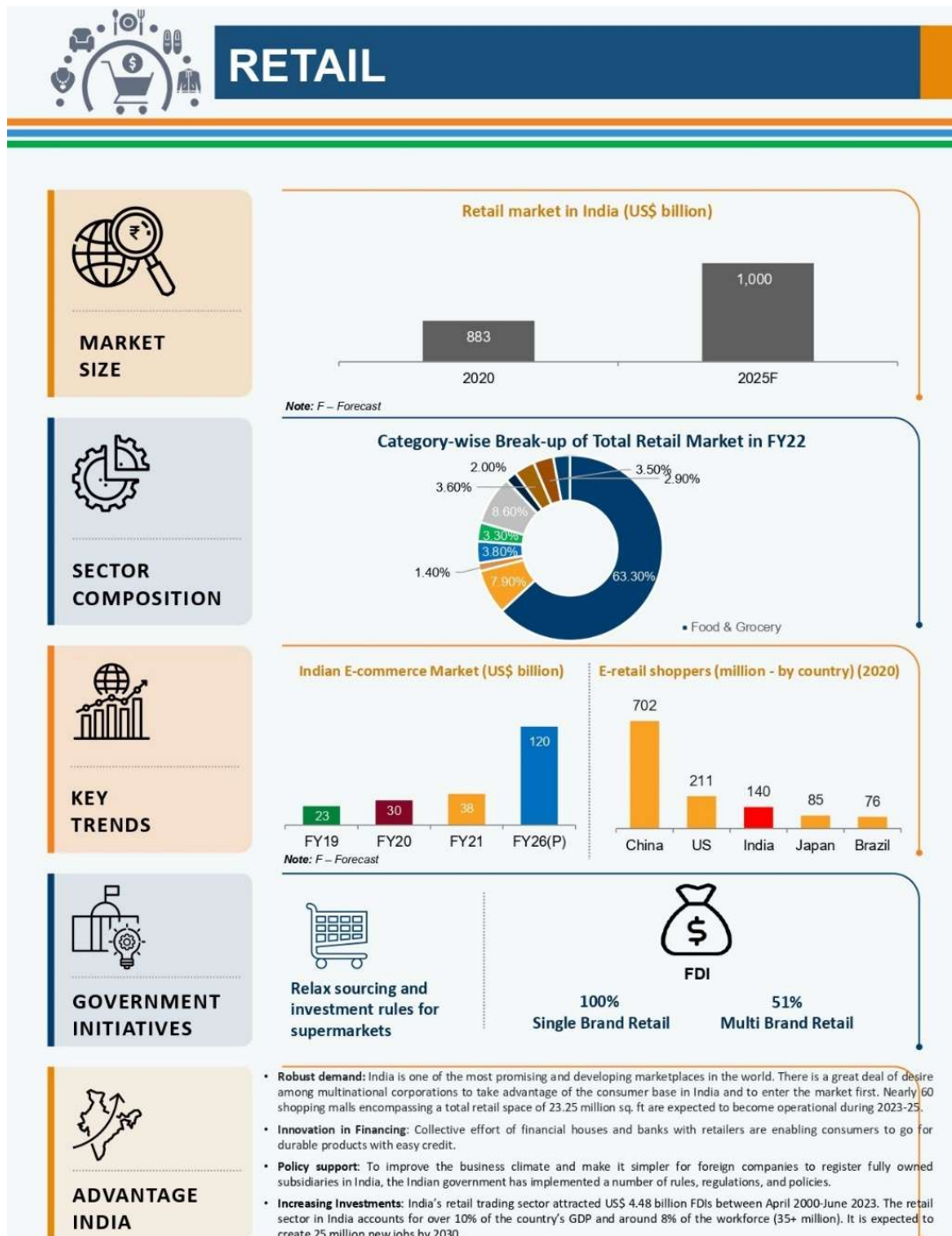
The Government has approved 51% FDI in multi-brand retail and 100% FDI in single-brand retail under the automatic route, which is expected to give a boost to Ease of Doing Business and Make in India schemes, with plans to allow 100% FDI in E-commerce.

The future outlook of the Indian Retail sector looks on track with pandemic easing out.

E-commerce is expanding steadily in the country. Customers have the ever-increasing choice of products at the lowest rates. Online retail market in India is projected to reach US\$ 350 billion by 2030 from an estimated US\$ 55 billion in 2021, due to rising online shoppers in the country. India is expected to become the world's third-largest consumer economy, reaching Rs. 27.95/- lakh crore (US\$ 400 billion) in consumption by 2025. Healthy economic growth, changing demographic profile, increasing disposable income, urbanisation, changing consumer tastes and preferences are some of the factors driving growth in the organised retail market in India.

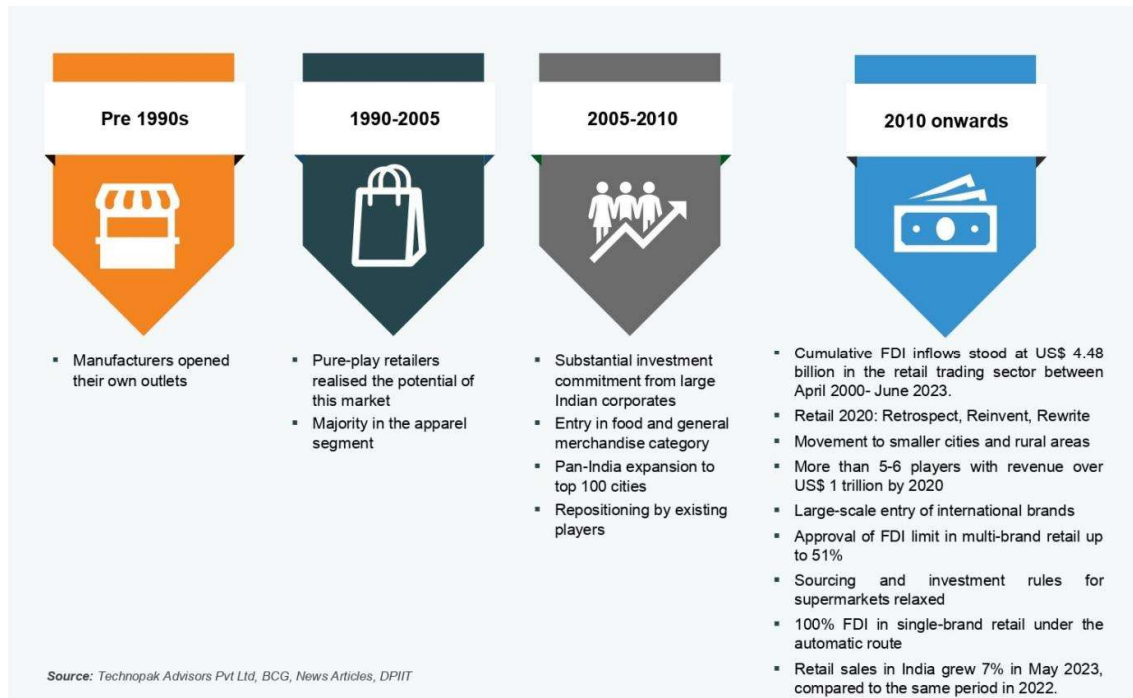
Note: According to a study by Boston Consulting Group, a global consulting firm

Retail Market in India



Source of above chart: IBEF

Evolution of retail in India



Organised retail in nascent stage



- The Indian retail sector is highly fragmented with 97% of its business being run by the unorganized retailers like the traditional family run stores and corner stores. The organized retail however is at a very nascent stage.
- In FY19, traditional retail, organised retail and E-commerce segments accounted for 88%, 9% and 3% of the market, respectively.
- The Indian e-commerce industry is expected to cross US\$ 350 billion mark by 2030, growing at a CAGR of 23%.
- The organised retail market in India has 12% share of the total retail market and has a growth rate of 10% over 2021-32.
- Increasing demand for organized retail space has helped create a capacity of ~120 million square feet (MSF) in retail space across major Indian cities. Major Indian cities include Delhi (23.7 MSF) and Mumbai (16.7 MSF).
- The unorganised retail sector in India has a huge untapped potential for adopting digital mode of payments as 63% of the retailers are interested in using digital payments like mobile and card payments.

- Many fintech companies are competing for their presence in local stores. In May 2020, Paytm announced a US\$ 1 billion loyalty programme and launched online ledger services for kirana stores in India. Other fintech companies such as PayNearby, Phonepe, BharatPe and Mswipe introduced different services for small shop owners, enabling better digital payments and delivery options at these stores.

- For example, Amazon partnered with local stores to provide a platform for many small shops and merchants on its Amazon marketplace. While, Walmart has its own network of 28 ‘best-priced’ stores serving local stores across the country.

Sector’s high growth potential is attracting investors

- India’s high growth potential compared to global peers has made it a highly favourable destination. According to a study by Boston Consulting Group, India is expected to become the world's third largest consumer economy by reaching US\$ 400 billion in consumption by 2025.

- In November 2022, Swiss smart wearable device maker Garmin expects India to be among its top three markets in Asia in the next five years, fuelled by post-Covid health activity trends in the country.

- Canadian restaurant chain Tim Hortons plans to open around 120 stores in India in the next three years at an investment of up to Rs. 300/- crores.

- Keystone Realtors inks pact to jointly develop 1.5-acre plot in Mumbais Mahim.

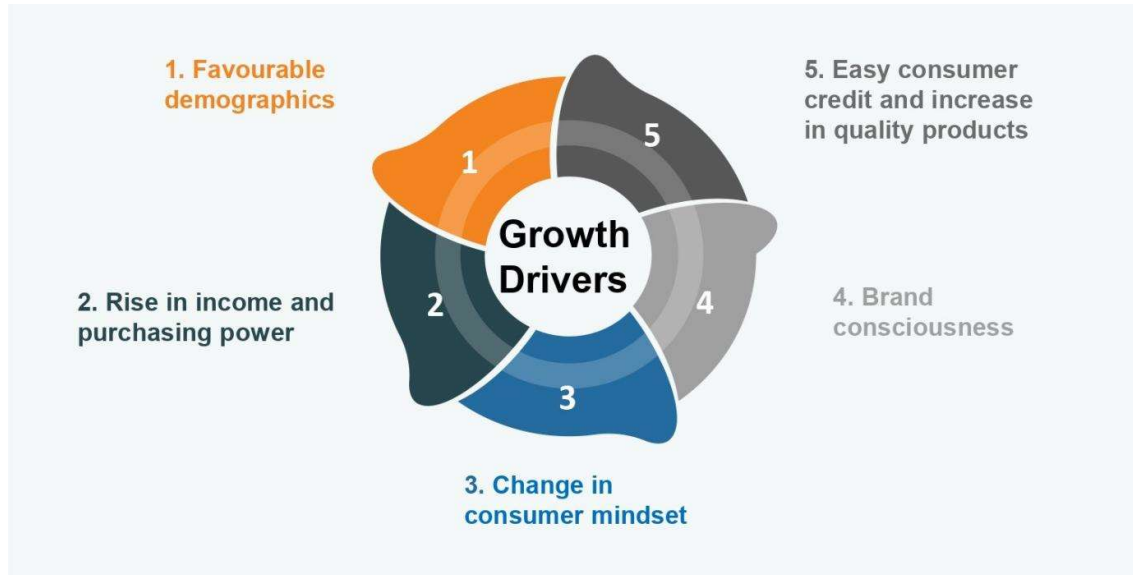
- IKEA, the Swedish furniture maker has drawn up plans to invest Rs. 850/- crores in its Indian operation.

- Swedish retailer H&M is set to launch its home decor and accessories products such as dinnerware and bed linen in India next month. H&M HOME will be available on the company’s website and through Myntra in March.

- Lulu Group, a UAE-based retail company, will invest Rs. 2,000/- crores to develop a shopping mall near Ahmedabad in Gujarat as part of its plans to expand business in India.



Growth drivers for retail in India



1. Consumer preference

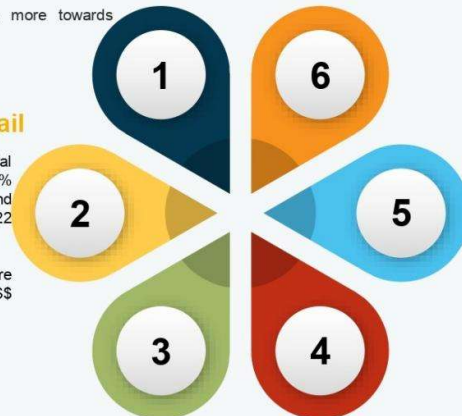
- India's per capita GDP increased to Rs. 143,048 (US\$ 1,982.65) in FY19 from Rs. 129,901 (US\$ 1,800.43) FY18.
- Indian consumers are now shifting more towards premium brands.

2. Increase in digital payment methods in retail

- The RBI states that total digital payments have increased by 216% and 10%, in terms of volume and value, respectively, for March 2022 compared to March 2019.
- In July 2023, UPI transactions were valued at Rs. 15.33 lakh crore (US\$ 185.60 billion).

3. Consumer finance opportunity

- According to India Ratings and Research, domestic organised food and grocery retailers are expected to increase by 10% YoY in FY22, with organised retailers and e-commerce likely to benefit from the ongoing demand for essentials.



4. FDI approval

- The retail sector of India is considered to be one of the most important emerging sectors, and therefore, Foreign Direct Investment (FDI) in the retail sector plays a very crucial role in the economic growth and development of the country.
- At present, FDI in single-brand retailing is permitted up to 100%, whereas in multi-brand retailing, it is allowed up-till 51% only.

6. Investment

- Many global investors are investing in the retail sector either by buying a stake in existing assets or through greenfield development platforms.
- In July 2021, the Andhra Pradesh government announced retail parks policy 2021-26, anticipating targeted retail investment of Rs. 5,000 crore (US\$ 674.89 million) in the next five years.
- In July 2021, Goat Brand Labs, a platform for D2C brands, raised US\$ 36 million and Lenskart raised US\$ 315 million from foreign investors.
- E-commerce and consumer internet companies raised US\$ 15.4 billion in PE/VC funding in 2022, almost twice the amount raised in 2020 of ~US\$ 8.2 billion.

5. Hybrid retail model

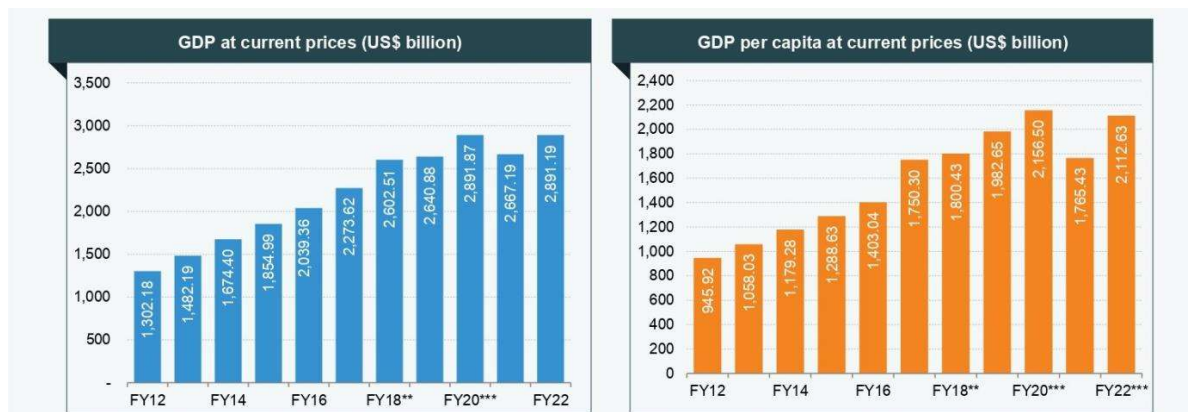
- Retail 4.0 in India puts the focus on personalization with an offline + online approach.
- Retail 4.0 holds the promise of an agile, efficient, inclusive, and inter-dependent retail ecosystem with disruptive growth and benefits for the sector and nation at large.

Source: News Articles, Ministry of Statistics and Programme Implementation, Anarock Retail

Income growth to drive demand for organised retail

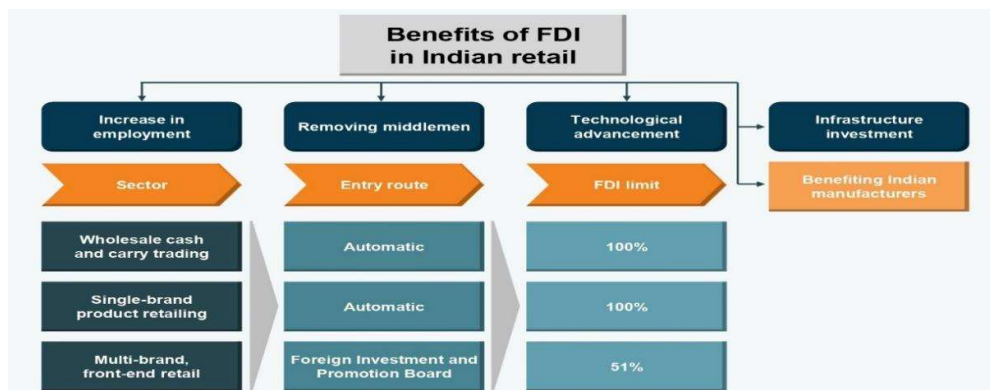
- Over the years, retailing in India has been one of the most dynamic and fast paced industries, which has travelled through different phases.
- Easy availability of credit and use of 'plastic money' have contributed to a strong and growing consumer culture in India.

- According to the Retailers Association of India (RAI), the retail industry has experienced moderate growth over the last year as consumers are getting into regular business routines, which accounts for the high base in April and May 2023.
- Acceptance and usage of E-retailers by consumers are increasing due to convenience and secured financial transactions.
- Expansion in the size of the upper middle class and advertisement has led to greater spending on luxury products and high brand consciousness.
- India's real gross domestic product (GDP) at current prices stood at Rs. 195.86/- lakh crore (US\$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21 and the per capita income at current prices was estimated at Rs. 127,768/- (US\$ 1,765.43) in FY21.
- In the first quarter of FY22, the Indian economy increased by 20.1%, backed by last years' low base.
- The e-commerce market itself is estimated to grow to US\$ 98 billion in FY24.
- Given the strong retail and consumer outlook, India is expected to witness redefining trends which will shape the future of the retail market.

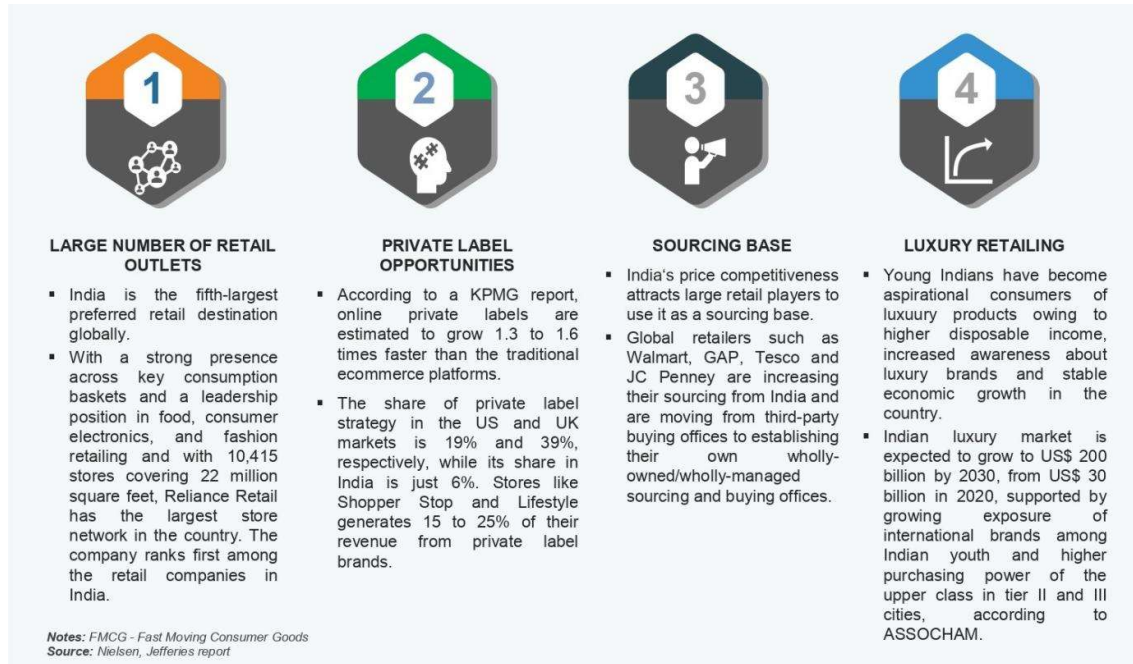


Source: IMF, ** - 2nd Revised Estimates, * - 1st Revised Estimates, *** - 1st Advance Estimate

Indian retail is set to benefit from FDI policy



Ample growth opportunities in Indian retail industry

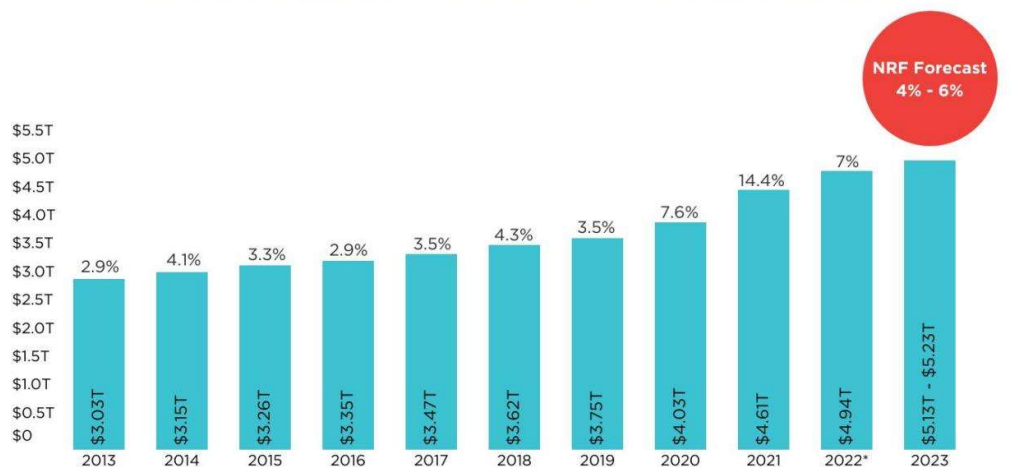


The retail industry is growing

NRF forecasts that retail sales during 2023 will grow between 4% and 6% over 2022 to between \$5.13 trillion and \$5.23 trillion. Last year's annual retail sales grew 7% over 2021 and totaled \$4.9 trillion. This growth rate is above the pre-pandemic, average annual retail sales growth of 3.6%.

*NRF retail sales figures exclude automobiles, gas stations and restaurants.

Annual Retail Sales and Sales Growth



* Preliminary as of March 15, 2023

Source: U.S. Census, NRF Analysis, reflects April 2022 Census revisions

NRF National Retail Federation

NRF Forecasts 2023 Retail Sales to Grow Between 4% and 6%

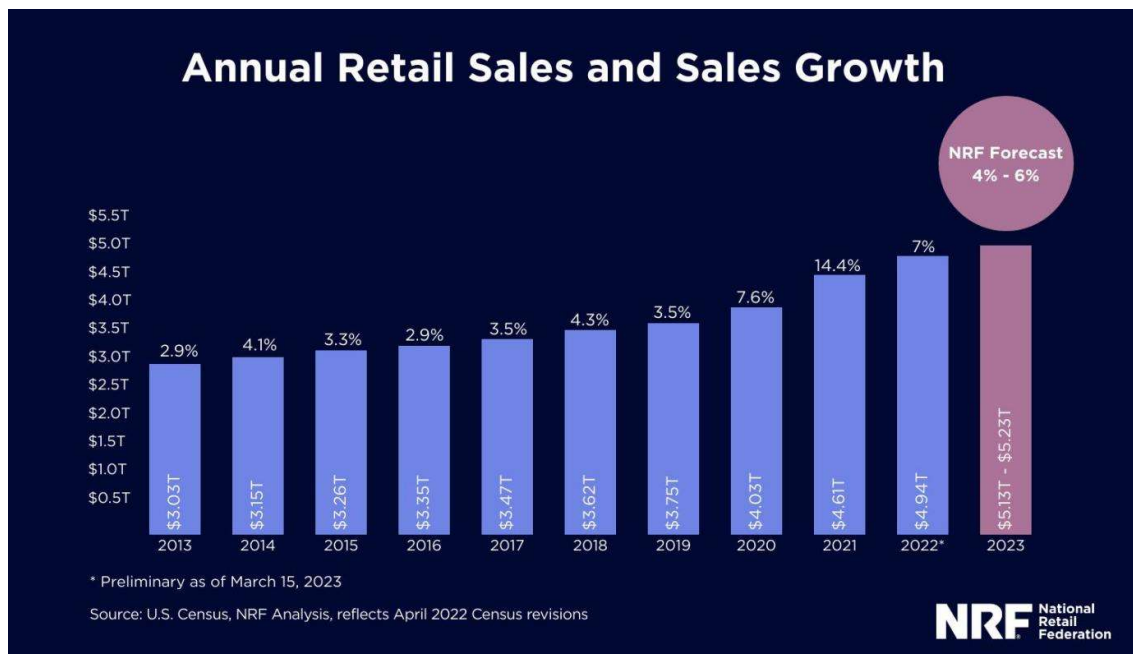
The National Retail Federation today issued its annual forecast, anticipating that retail sales will grow between 4% and 6% in 2023. In total, NRF projects that retail sales will reach between \$5.13 trillion and \$5.23 trillion this year.

“In just the last three years, the retail industry has experienced growth that would normally take almost a decade by pre-pandemic standards,”

NRF President and CEO Matthew Shay said. “While we expect growth to moderate in the year ahead, it will remain positive as retail sales stabilize to more historical levels. Retailers are prepared to serve consumers in the current economic environment by offering a range of products at affordable prices with great shopping experiences.”

NRF’s annual sales forecast was announced during the third annual State of Retail & the Consumer virtual conversation, where retail executives from major brands, prominent economists and consumer experts discussed the health of American consumers and the retail industry.

The 2023 figure compares with 7% annual growth to \$4.9 trillion in 2022. The 2023 forecast is above the pre-pandemic, average annual retail sales growth rate of 3.6%.



Non-store and online sales, which are included in the total figure, are expected to grow between 10% and 12% year over year to a range of \$1.41 trillion to \$1.43 trillion. While many consumers continue to utilize the conveniences offered by online shopping, much of that growth is driven by multichannel sales, where the physical store still plays an important component in the fulfillment process. As the role of brick-and-mortar stores has evolved in recent years, they remain the primary point of purchase for consumers, accounting for approximately 70% of total retail sales.

NRF projects full-year GDP growth of around 1%, reflecting a slower economic pace and half of the 2.1% increase from 2022. Inflation is on the way down but will remain between 3% and 3.5% for all goods and services for the year.

Although the labor market has remained resilient, the trade organization anticipates job growth to decelerate in the coming months in lockstep with slower economic activity and the prospect of restrictive credit conditions. The unemployment rate is likely to exceed 4% before next year.

NRF Chief Economist Jack Kleinhenz noted that aggregate economic activity has held up well, despite restrictive monetary policy that is working purposefully to curb inflation. He also acknowledged that recent developments in the financial markets and banking sector as well as some unresolved public policy issues complicate the outlook.

“While it is still too early to know the full effects of the banking industry turmoil, consumer spending is looking quite good for the first quarter of 2023,” Kleinhenz said. “While we expect consumers to maintain spending, a softer and likely uneven pace is projected for the balance of the year.”

As the leading authority and voice for the retail industry, NRF provides data on retail sales each month and also forecasts annual retail sales and spending for key periods such as the holiday season each year.

NRF’s calculation of retail sales excludes automobile dealers, gasoline stations and restaurants to focus on core retail.

Three retail industry trends and priorities

The confluence of obstacles retailers face can make the next steps daunting. As such, we believe there are three key areas that retailers can—and should—address now to create efficiencies while addressing the changing consumer: last-mile capabilities, reverse logistics, and social commerce.

Supply chain: Last-mile capabilities

Seven in 10 leaders say they are very confident that they will be able to deliver a seamless experience to consumers across channels, compared with only two of 10 laggards. To do so, retailers should consider creating more profitable last-mile delivery solutions by investing in automated micro-fulfillment centers (MFCs). MFCs can increase storage capacity and throughput rates—filling orders for multiple stores—and create efficiencies by freeing up employees who otherwise would be picking orders. MFCs are particularly attractive given they can expand the range of same-day and next-day services retailers can potentially reach.

Omnichannel: Reverse logistics

Every return is an opportunity for retailers to save a sale. Retailers should look to take advantage of in-store reverse logistics capabilities. In-person returns satisfy customers' desire for immediate credit while reducing expenses for mailed return delivery. And with the growing popularity of return bars—stores that pack and ship returns for partnering retailers—there is an opportunity to drive additional store traffic and expand the footprint of their client base, an ideal situation during inflationary times. Recent data suggests that retailers participating in return bars save over 20% in processing costs.

Digital: Social commerce

The cost of acquiring a new customer can be up to six to seven times more than retaining old customers,⁴ and social commerce can help reinforce existing customer loyalty. Retailers should invest in technologies to provide a seamless purchasing experience within social channels and shoppable media to nudge users toward purchases and create loyalty. Enabling shoppable tags with product information, embedding the brand website into the social media app, and enabling in-app transactions can help reduce friction on the shopping journey.

Methodology

This survey was commissioned by Deloitte and conducted online by an independent research company from October 21 to 31, 2022. It polled a sample of 50 retail industry executives, of which 70% were from companies with annual revenues of \$10 billion or more. The respondents included C-suite and senior executives who were directly responsible or exerted significant influence on major strategic initiatives in their organizations.

Economic outlook for the retail industry

A slowing economy will keep retail sales growth in check. In our baseline scenario (55% probability), we forecast GDP growth to slow to 0.9% in 2023 from an estimated 2% in 2022 and 5.9% in 2021. A relatively healthy labor market will, however, continue to boost sales. And there is a significant chance that a recession

would make things much worse. In the event of a recession (which Deloitte rates at a 35% probability), the economy would contract, and unemployment would rise.

Inflation has lowered consumers' purchasing power despite gains in nominal income due to the strong labor market. Even though nominal average weekly earnings have increased by 8.3% since December 2020, real earnings have fallen by 5%. This will weigh on consumer demand and, hence, retail sales volume.

Consumer spending on services has been picking up steadily as consumers return to bars and restaurants, take vacations, and enjoy sporting events as they did before the pandemic. To some extent, consumers are dipping into their savings to make up for what they missed during 2020-2021. The personal saving rate is now at 3.1%, much lower than pre-pandemic levels. A shift in spending to services will therefore weigh on retail sales at stores selling consumer goods.

(Source: <https://www.ibef.org/industry/indian-retail-industry-analysis-presentation>)

Agriculture and Allied Industries

India is one of the major players in the agriculture sector worldwide and it is the primary source of livelihood for ~55% of India's population. India has the world's largest cattle herd (buffaloes), the largest area planted for wheat, rice, and cotton, and is the largest producer of milk, pulses, and spices in the world. It is the second-largest producer of fruit, vegetables, tea, farmed fish, cotton, sugarcane, wheat, rice, cotton, and sugar. The agriculture sector in India holds the record for second-largest agricultural land in the world generating employment for about half of the country's population. Thus, farmers become an integral part of the sector to provide us with a means of sustenance.

Consumer spending in India will return to growth in 2021 post the pandemic-led contraction, expanding by as much as 6.6%. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for value addition, particularly within the food processing industry. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth.

Foodgrain production in India touched 330.5 million metric tonnes (MT) in 2022-23 (3rd Advance Estimate). India is the world's 2nd largest producer of food grains, fruits and vegetables and the 2nd largest exporter of sugar. A total of 521.27 LMT rice has been anticipated for procurement for the upcoming KMS 2023-24, up from 496 LMT produced during the previous KMS 2022-23.



Advantages to India

- Factors contributing to the sharp growth in demand for processed foods include increasing urbanization, increasing disposable incomes, changing spending patterns/ priorities, the emergence of nuclear families, and the growing need for convenience foods in dual-income nuclear families.

- The demand for organic products in the Indian market is growing and is anticipated to rise with a CAGR of 25.25% between 2022-27.
- A total of 521.27 LMT rice has been anticipated for procurement for the upcoming KMS 2023-24, up from 496 LMT produced during the previous KMS 2022-23.
- Entry of foreign players has been key to sustainable growth in some sectors such as dairy.
- Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme.
- A new sub-scheme of PM Matsya Sampada Yojana with a targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and MSEs, improve value chain efficiencies and expand the market.
- Through several Digital Initiatives, such as the National e-Governance Plan in Agriculture, the construction of Digital Public Infrastructure, digital registries, etc., the government has taken various steps to ensure access to IT across the nation.
- India has access to several natural resources that provides it a competitive advantage in the food processing sector. Due to its diverse agro-climatic conditions, it has a wide-ranging and large raw material base suitable for food processing industries.

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. India's agricultural and processed food products exports stood at US\$ 43.37 billion in FY23 (April 2022-January 2023). As per third Advance Estimates for FY23 (Kharif only), total foodgrain production in the country is estimated at 330.5 million tonnes. As per the Second Advance Estimates of National Income, the share of GVA of agriculture and allied sectors in the total economy in 2022-23 was 18.3%, with a growth rate of 3.3%.

Rabi crop area has increased by 3.25%, from 697.98 lakh hectares in 2021-22 to 720.68 lakh hectares in 2022-23. This is a 22.71 lakh hectare, a 13.71% increase over the average sown area in 2021-22.

In the current crop year (July 2022-June 2023), India's horticulture output is expected to have hit a record 350.87 million tonnes (MT), as production of fruits, vegetables, spices, and plantation crops surged dramatically.

In 2022-23, of the 141 million hectares of gross sown area in the country, nearly 73 million hectares, or 52%, had irrigation access.

The Agriculture and Allied industry sector has witnessed some major developments, investments and support from the Government in the recent past. Between April 2000-June 2023, FDI in agriculture services stood at US\$ 4.75 billion.

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

According to Inc42, the Indian agricultural sector is predicted to increase to US\$ 24 billion by 2025. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. As per the First Advance Estimates for 2023-24 (Kharif only), total foodgrain production in the country is estimated at 148.5 million tonnes.

Rabi crop area has increased by 3.25%, from 697.98 lakh hectares in 2021-22 to 720.68 lakh hectares in 2022-23. This is a 22.71 lakh hectare, a 13.71% increase over the average sown area in 2021-22. As per the First Advance Estimates for 2023-24, rice is estimated at 1,063.13 lakh tonnes during the kharif season.

In 2022-23 (as per the second advance estimate), India's horticulture output is expected to have hit a record 351.92 million tonnes (MT), an increase of about 4.74 million tonnes (1.37%) as compared to the year 2021-22.

In 2022-23, of the 141 million hectares of gross sown area in the country, nearly 73 million hectares, or 52%, had irrigation access.

The Agriculture and Allied industry sector witnessed some major developments, investments and support from the

Government in the recent past. Between April 2000-September 2023, FDI in agriculture services stood at US\$ 4.77 billion.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), the Indian food processing industry has cumulatively attracted a Foreign Direct Investment (FDI) equity inflow of about US\$ 12.35 billion between April 2000-September 2023. This accounts for 1.89% of total FDI inflows received across industries.

During 2023-24 (April-October), processed vegetables accounted for US\$ 446.84 million, miscellaneous preparations accounted for US\$ 758.94 million and processed fruits, juices and nuts accounted for US\$ 367.85 million.

Rapid population expansion in India is the main factor driving the industry. The rising income levels in rural and urban areas, which have contributed to an increase in the demand for agricultural products across the nation, provide additional support for this. In accordance with this, the market is being stimulated by the growing adoption of cutting-edge techniques including blockchain, artificial intelligence (AI), geographic information systems (GIS), drones, and remote sensing technologies, as well as the release of various e-farming applications.

In terms of exports, the sector has seen good growth in the past year. India's agricultural and processed food products exports stood at US\$ 27.01 billion in 2023-24 (April-October).

The exports for principal commodities in 2023-24 (April-October) were the following:

- Marine Product: US\$ 4.58 billion
- Basmati and Non-Basmati Rice: US\$ 5.86 billion
- Spices: US\$ 2.24 billion
- Buffalo Meat: US\$ 2.09 billion
- Sugar: US\$ 1.49 billion
- Miscellaneous processed items: US\$ 967 million
- Oil Meal: US\$ 894 million

INVESTMENTS

Some major investments and developments in agriculture are as follows:

- In December 2023, NBCC signed an MoU with the National Cooperative Development Cooperation (NCDC) and NABARD for the construction of (1,469-grain storage units) the world's largest grain storage plan in the cooperative sector.
- India to host the 27th WAIPA World Investment Conference in New Delhi from December 11-14, 2023.
- In December 2023, Tata-owned Rallis India launched NAYAZINC fertilizer.
- In December 2023, NITI Aayog and IFPRI signed a Statement of Intent to strengthen policy frameworks for agricultural transformation and rural development.
- In November 2023, India signed deals to export 5,00,000 tons of new season basmati rice in Europe and the Middle East.
- In October 2023, the President of India launched the Fourth Krishi Road map of Bihar.
- In October 2023, Coal India, partnered to invest Rs. 3,095 crore (US\$ 371.69 million) in fertiliser JV to boost output.
- Government has set up a special fund called the Food Processing Fund (FPF) of approximately US\$ 265 million in the National Bank for Agriculture and Rural Development (NABARD) for extending affordable credit to designated food parks and food processing enterprises in the designated food parks.
- In June 2023, Mother Dairy invested US\$ 48.33 million (Rs. 400 crore) to set up a unit in Nagpur.
- In 2022, the Government of India is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- In October 2022, Prime Minister Mr. Narendra Modi inaugurated PM Kisan Samman Sammelan 2022 and released PM-KISAN Funds worth Rs. 16,000 crore (US\$ 1.93 billion)
- 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 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).
- Consumer spending in India will return to growth in 2022 post the pandemic-led contraction, expanding by as

much as 7%.

- The organic food segment in India is expected to grow at a CAGR of 10% during 2015–25 and is estimated to reach Rs. 75,000 crore (US\$ 9.1 billion) by 2025 from Rs. 2,700 crore (US\$ 386.32 million) in 2015.
- The processed food market in India is expected to grow to Rs. 3,451,352.5 crore (US\$ 470 billion) by 2025, from Rs. 1,931,288.7 crore (US\$ 263 billion) in FY20 on the back of government initiatives such as planned infrastructure worth US\$ 1 trillion and Pradhan Mantri Kisan Sampada Yojna. The food processing industry employs about 1.77 million people. The sector allows 100% FDI under the automatic route.
- From 2017 to 2020, India received ~US\$ 1 billion in agritech funding. With significant interest from investors, India ranks third in terms of agritech funding and the number of agritech start-ups. By 2025, Indian agritech companies are likely to witness investments worth US\$ 30-35 billion.
- Nestle India will invest Rs. 700 crore (US\$ 85.16 million) in the construction of its ninth factory in Gujarat.
- The performance of the agriculture and allied sector has been buoyant over the past several years, much of which is on account of the measures taken by the government to augment crop and livestock productivity, ensure certainty of returns to the farmers through price support, promote crop diversification, improve market infrastructure through the impetus provided for the setting up of farmer-producer organizations and promotion of investment in infrastructure facilities through the Agriculture Infrastructure Fund.
- As per the economic survey 2022-23, Rs. 13,681 crore (US\$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- Private investment in agriculture increases to 9.3% in 2020-21.
- Institutional Credit to the Agricultural Sector continued to grow to Rs. 18.6 lakh crore (US\$ 226 billion) in 2021-22.

GOVERNMENT INITIATIVES

Some of the recent major Government initiatives in the sector are as follows

- In the Union Budget 2023-24:
 - Rs. 1.24 lakh crore (US\$ 15.9 billion) has been allocated to the Department of Agriculture, Cooperation and Farmers' Welfare.
 - Rs. 8,514 crores (US\$ 1.1 billion) has been allocated to the Department of Agricultural Research and Education.
- Through several Digital Initiatives, such as the National e-Governance Plan in Agriculture (NeGP-A), the construction of Digital Public Infrastructure (DPI), digital registries, etc., the government has taken a number of steps to ensure access to IT across the nation.
- The Soil Health Card site has been updated and connected with a Geographic Information System (GIS) system, allowing all test results to be captured and shown on a map. Samples are now being gathered using a mobile application as of April 2023 under the new system.
- The Agricultural Technology Management Agency (ATMA) Scheme has been implemented in 704 districts across 28 states and 5 UTs to educate farmers. Grants-in-aid are released to the State Government under the scheme with the goal of supporting State Governments' efforts to make available the latest agricultural technologies and good agricultural practices in various thematic areas of agriculture and allied sector.
- Since its inception, i.e. from 01.04.2001 to 31.12.2022, a total of 42,164 storage infrastructure projects (Godowns) with a capacity of 740.43 Lakh MT have been assisted in the country under the Agricultural Marketing Infrastructure (AMI) sub-scheme of the Integrated Scheme for Agricultural Marketing (ISAM).
- The Centre has granted permission to five private companies to conduct cluster farming of specified horticulture crops on approximately 50,000 hectares on a trial basis, with a total investment of US\$ 91.75 million (Rs. 750 crore). The five companies chosen through a bidding process for the pilot cluster farming program are Prasad Seeds, FIL Industries, Sahyadri Farms, Meghalaya Basin Management Agency.
- 27,003 Loans have been sanctioned in the country under credit linked subsidy component of the PM Formalisation of Micro Food Processing Enterprises Scheme (PMFME).

- In July 2022, the PM Formalisation of Micro food processing Enterprises (PMFME) scheme was launched for providing financial, technical and business support for setting up/ upgradation of micro food processing enterprises in the country with an outlay of Rs. 10,000 crore (US\$ 1.27 billion).
- The Indian government is planning to launch Kisan Drones for crop assessment, digitization of land records, and spraying of insecticides and nutrients.
- NABARD will assist in the creation of a blended capital fund with a focus on the agricultural start-up ecosystem which will be used to fund agriculture and rural enterprise start-up's that are related to the farm product value chain.
- A network of 729 Krishi Vigyan Kendra's has been established at the district level across the country to ensure that newer technologies such as improved variety seeds of crops, new breeds/ strains of livestock and fish, and improved production and protection technologies reach farmers.
- In October 2021, the Union Minister of Home Affairs and Co-operation launched the 'Dairy Sahakar' scheme in Anand, Gujarat.
- Ministry of Civil Aviation launched the Krishi UDAN 2.0 scheme in October 2021. The scheme proposes assistance and incentive for the movement of agri-produce by air transport. The Krishi UDAN 2.0 will be implemented at 53 airports across the country, largely focusing on Northeast and tribal regions, and is expected to benefit farmers, freight forwarders, and airlines.
- In October 2021, the Agricultural and Processed Food Products Export Development Authority (APEDA) signed a Memorandum of Understanding (MoU) with ICAR-Central Citrus Research Institute (ICAR-CCRI), Nagpur, for boosting exports of citrus and its value-added products.
- In October 2021, the Union Ministry of Agriculture and Farmers Welfare announced that 820,600 seed mini-kits will be distributed free of cost in 343 identified districts across 15 major producing states under a special programme. This programme is likely to boost production and productivity by speeding up the seed replacement rate and subsequently, help in increasing farmers' income.
- In September 2021, Prime Minister Mr. Narendra Modi launched 35 crop varieties with special traits such as climate resilience and higher nutrient content.
- Prime Minister of India launched the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and transferred Rs. 2,021 crore (US\$ 284.48 million) to bank accounts of more than 10 million beneficiaries on February 24, 2019. As per the Union Budget 2021-22, Rs. 65,000 crore (US\$ 8.9 billion) was allocated to Pradhan Mantri Kisan Samman Nidhi (PM-Kisan).
- The Indian government has initiated Digital Agriculture Mission for 2021-25 for agriculture projects based on new technologies such as artificial intelligence, blockchain, remote sensing and GIS technology, drones, robots, and others.
- In September 2021, the Union Ministry of Agriculture and Farmers' Welfare signed five MoUs with CISCO, Ninjacart, Jio Platforms Limited, ITC Limited, and NCDEX e-Markets Limited. This MoU will have five pilot projects, which will help farmers make decisions on the kind of crops to grow, the variety of seeds to use, and best practices to adopt to maximise yield.
- With a budget of US\$ 1.46 billion, the 'Production-Linked Incentive Scheme for Food Processing Industry (PLISFPI)' has been approved to develop global food manufacturing champions commensurate with India's natural resource endowment and to support Indian food brands in international markets.
- Under Pradhan Mantri Formalisation of Micro Food Processing Enterprises (PM FME), an outlay of Rs. 10,000 crore (US\$ 1.27 billion) over a period of five years from FY21 to FY25 has been sanctioned.
- In April 2021, the Government of India approved a PLI scheme for the food processing sector with an incentive outlay of Rs. 10,900 crore (US\$ 1.48 billion) over a period of six years starting from FY22.

- The Agriculture Export Policy, 2018 was approved by the Government of India in December 2018. The new policy aimed to increase India's agricultural export to US\$ 60 billion by 2022 and US\$ 100 billion in the next few years with a stable trade policy regime.
- The Government of India is going to provide Rs. 2,000 crore (US\$ 306.29 million) for the computerisation of the Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.
- The Government of India launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of Rs. 50,000 crore (US\$ 7.7 billion) aimed at the development of irrigation sources for providing a permanent solution to drought.
- Government plans to triple the capacity of the food processing sector in India from the current 10% of agricultural produce and has also committed Rs. 6,000 crore (US\$ 729 million) as investments for mega food parks in the country, as a part of the Scheme for Agro-Marine Processing and Development of Agro-Processing Clusters (SAMPADA).
- The Government of India has allowed 100% FDI in the marketing of food products and in food product E-commerce under the automatic route.
- To enhance the income of farmers, the government has taken initiatives across several focus areas. Income support is provided to farmers through PM KISAN Scheme, crop insurance is assured through the Pradhan Mantri Fasal Bima Yojana, and irrigation facilities are ensured under Pradhan Mantri Krishi Sinchai Yojana.
- Access to institutional credit is being provided through Kisan Credit Card and other channels.
- Under the e-NAM initiative, markets across the length and breadth of the nation are now open to farmers, to enable them to get more remunerative prices for their produce. Online, Competitive, Transparent Bidding System with 1.74 crore farmers and 2.39 lakh traders put in place under the National Agriculture Market (e-NAM) Scheme.
- The umbrella scheme Pradhan Mantri Annadata Aay Sanrakshana Abhiyan (PM-AASHA) ensures Minimum Support Price (MSP) to farmers for various Kharif and Rabi crops while also keeping a robust procurement mechanism in place.
- As per the Economic Survey 2022-23, Rs. 13,681 crore (US\$ 1.6 billion) were sanctioned for Post-Harvest Support and Community Farms under the Agriculture Infrastructure Fund.
- In order to increase the level of food- processing industry and encouraging rural entrepreneurship across the country including rural areas, the Ministry of Food Processing Industries (MoFPI) is implementing the Central Sector Umbrella Scheme Pradhan Mantri Kisan SAMPADA Yojana (PMKSY), Production Linked Incentive Scheme for Food Processing Industry (PLISFPI) and centrally sponsored PM Formalization of Micro Food Processing Enterprises (PMFME) Scheme.
- The PMFME Scheme provides financial, technical and business support for setting up/upgradation of 2 Lakh micro food processing enterprises through credit-linked subsidy during five years from 2020-21 to 2024-25 with an outlay of Rs. 10,000 crore (US\$ 1.27 billion).
- Under component schemes of PMKSY, MoFPI mostly provides financial assistance in the form of grants-in-aid to entrepreneurs for the creation of modern infrastructure and setting up of food processing/preservation industries including Cold Chains with associated infrastructure like primary processing facilities, collection centres, pre-conditioning, pre-cooling, ripening, packing, etc.
- As per the Union Budget 2023-24, A new sub-scheme of PM Matsya Sampada Yojana with the targeted investment of Rs. 6,000 crore (US\$ 729 million) to be launched to further enable activities of fishermen, fish vendors, and micro & small enterprises, improve value chain efficiencies, and expand the market.
- Digital Public Infrastructure for Agriculture: agriculture will be built as an open source, open standard, and interoperable public good. this will enable inclusive, farmer-centric solutions through relevant information

services for crop planning and health, improved access to farm inputs, credit, and insurance, help for crop estimation, market intelligence, and support for the growth of the agri-tech industry and start-ups.

- To enhance the productivity of extra-long staple cotton, Government will adopt a cluster-based and value chain approach through Public Private Partnerships (PPP). This will mean collaboration between farmers, the state and industry for input supplies, extension services, and market linkages.
- Computerisation of 63,000 Primary Agricultural Credit Societies (PACS) with an investment of Rs. 2,516 crore (US\$ 305.9 million) initiated.
- Rs. 20 lakh crore (US\$ 24.41 billion) agricultural credit targeted at animal husbandry, dairy and fisheries.
- To make India a global hub for 'Shree Anna', the Indian Institute of Millet Research, Hyderabad will be supported as the Centre of Excellence for sharing best practices, research and technologies at the international level.

ROAD AHEAD

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investment in agricultural infrastructure such as irrigation facilities, warehousing, and cold storage. Furthermore, the growing use of genetically modified crops will likely improve the yield for Indian farmers. India is expected to be self-sufficient in pulses in the coming few years due to the concerted effort of scientists to get early maturing varieties of pulses and the increase in minimum support price.



In the next five years, the central government will aim US\$ 9 billion in investments in the fisheries sector under PM Matsya Sampada Yojana. The government is targeting to raise fish production to 220 lakh tonnes by 2024-25. Going forward, the adoption of food safety and quality assurance mechanisms such as Total Quality Management (TQM) including ISO 9000, ISO 22000, Hazard Analysis and Critical Control Points (HACCP), Good Manufacturing Practices (GMP), and Good Hygienic Practices (GHP) by the food processing industry will offer several benefits.

Through the Ministry of Food Processing Industries (MoFPI), the Government of India is taking all necessary steps to boost investments in the food processing industry in India. Government of India has continued the umbrella PMKSY scheme with an allocation of Rs. 4,600 crore (US\$ 559.4 million) till March 2026.

References: Agricultural and Processed Food Products Export Development Authority (APEDA), Department of Commerce and Industry, Union Budget 2021-22, 2022-23, Press Information Bureau, Ministry of Statistics and Programme Implementation, Press Releases, Media Reports, Ministry of Agriculture and Farmers Welfare, Crisil, Union Budget 2023-24, Economic Survey 2022-23.

Source: <https://www.ibef.org/industry/agriculture-india>

OUR BUSINESS

Some of the information in this section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in the Equity Shares, Shareholders should read this entire Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For the purpose of discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" beginning on page 19 of this Letter of Offer, and for the purpose of discussion of the risks and uncertainties related to those statements, as well as for the discussion of certain factors that may affect our business, financial condition or results of operations, you should read restated "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 92 and 175, respectively of this Letter of Offer. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information used in this section is derived from our Restated Financial Statements.

Overview and History

Our Company was originally incorporated as 'Sarthak Suppliers Private Limited' in New Delhi as a Private Limited Company under the Companies Act, 1956, and was granted the Certificate of Incorporation on January 23, 2009 by the Registrar of Companies, Delhi and Haryana at New Delhi. Subsequently, the name of our Company was changed to 'IFL Enterprises Private Limited' and a fresh Certificate of Incorporation was granted by the Registrar of Companies, Delhi and Haryana at New Delhi on January 27, 2016. Finally, the name of our Company was changed to 'IFL Enterprises Limited' and a fresh Certificate of Incorporation consequent upon change of name was granted by the Registrar of Companies, Delhi at Delhi on February 18, 2016.

Our company was a subsidiary of India Finsec Limited, and represents the other business activities of the group. We were engaged in the business of corporate advisory, debt syndication and execution services with paramount focus on small and medium enterprises (SMEs) in corporate and non-corporate sector. Further we were also involved in the business of trading in textile products primarily fabrics.

In the year 2021, our Company underwent change of Control in terms of Regulation 25 of Securities Exchange Board of India (Substantial Acquisition and Takeover of Shares) Regulation, 2011. Pursuant to the change of Control, Mr. Nishant Subhashchandra Gandhi became Promoter of the Company.

Further, in the year 2022, the company altered its object clause after passing special resolution dated April 24th, 2022 to carry on the business of manufacturing, importing & exporting, trading of all type of paper for writing, wrapping, kraft and semi-kraft, cloth paper, wall paper, paper films (plain and printed) and to do all types of metals and metal compounds whatsoever, whether ferrous or non-ferrous and buying, selling, reselling, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in all type of goods on retail as well as on wholesale basis in India or elsewhere and also act as Commission agent Stockiest on behalf of others. Also, to carry on the business as exhibitors of various goods, services and merchandise and to undertake the necessary activities to promote sales of goods, services and merchandise manufactured/dealt with/provided by the Company. And to acquire share in various business entities including but not limited to companies, partnership firms LLPs and other legal entities in India or outside India by establishing the relationship of holding-subsiary, joint venture and associate entities.

Company entered into new business to carry on the business of import, export, distribute, sale, purchase or deal in agriculture produce of all description like fruits, vegetable, seeds, organic products and herbal products and to do trading of the agri-commodities whether perishable or non-perishable and also do stocking of the same at their own premises or leased premises and promote & sell their own brand along with farmer produce and trade in all the products required for cultivation, harvesting, production and developments of seeds, vegetable, fruits and herbal items.

Also, to grow, produce, harvest raise or deal in agriculture produce and to set up processing unit, manufacturers, producers, processors, growers, fermentators, distillers, refiners, makers, inventors, convertors, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indentors, bottlers, packers, movers, preservers, stockiest, agents, merchants, distributors, consignors, jobbers, brokers or otherwise deal in all kinds of fertilizers, manures, plant and animal foods, pesticides, insecticides, fungicides and all types of chemicals used in apiculture, pisciculture, sericulture, horticulture, poultry farming and animal husbandry.

Our consolidated revenues from operations for Fiscals 2023 ₹ 817.42/- lacs and standalone revenues for 2022 and 2021 were ₹ 145.63/- lacs and ₹ 136.02/- lacs respectively.

Our consolidated EBITDA for the Fiscals 2023 ₹ 871.38/- lacs and standalone EBITDA for 2022 and 2021 were ₹ (2459.34)/- thousands and ₹ (1539.53)/- thousands respectively.

Our consolidated profit after tax for Fiscals 2023 ₹ 51.81/- lacs and standalone profit after tax for 2022 and 2021 were ₹ (2,130.94)/- and ₹ (1,228.38)/- thousands respectively.

Corporate Structure

In year 2022, our Company formed a subsidiary in the name of Yamunashtakam Tradeventures Private Limited to further diversify its activities. Presently, our Company holds 100% of the total issued and paid up share capital of the Yamunashtakam Tradeventures Private Limited.

Yamunashtakam Tradeventures Private Limited is engaged in the business as dealer, trader, import and export agents, representatives, buying and selling agents, brokers, importers, buyers, sellers, exporters and to buy, sell, or otherwise trade various goods, services and merchandise and to undertake the necessary activities and deal in all commodities including but not limited to paper, fabrics and textiles.

Our Business Strategy

Maintain and Expand Long-term Relationships with Customers

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

Leveraging of our Marketing Skills and Relationships

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

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

Diversify our assets and liabilities

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

Growth of the business through increasing geographical presence across India

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

Our Strength

Experienced Leadership Team

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

Strong Corporate Governance Standards

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

Marketing

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

Competition

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

Employees

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

Corporate Social Responsibility

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

Properties

As of the date of this Letter of Offer, our Registered Office and Corporate Office are situated at Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015 is not owned by the company.

| Sr. No. | Particulars of Property | Address | Licensees | Licensor | Lease period |
|----------------|--------------------------------------|---|-------------------------|---|--|
| 1 | Corporate Office & Registered office | Office No. 412, 4th Floor Shilp Zaveri, Samruddhi Soc., NR. Shyamal Cross Road, Satellite, Polytechnic (Ahmedabad), Ahmedabad, Ahmadabad City, Gujarat, India, 380015 | IFL Enterprises Limited | Aahna Organizers LLP & M/s. Zaveri Infracon LLP | For a period of Three (3) years w.e.f. 23.02.2024. |

Insurance:

There are no insurance policies in the name of the company.

OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 (Three) Directors and not more than 15 (Fifteen) Directors on its Board, subject to provisions of Section 149 of Companies Act, 2013. As on date of this Letter of Offer, our Board consist of 04 (Four) Directors, out of which 01 (One) is Executive Director, 2 (Two) are Non-Executive Independent Directors and 1 (One) is Non-Executive Non-Independent Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

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

The following table sets forth certain details regarding the members of our Company's Board as on the date of this Letter of Offer:

| S. No. | Name, DIN, Date of Birth, Qualification, Designation, Occupation, Address, Nationality and Term, Original Date of Appointment, Date of Appointment at Current Designation | Age (in Years) | Other Directorship |
|--------|---|----------------|--|
| 1. | Ms. Vinaben Kanaiyalal Joshi DIN: 07900014 Date of Birth: 03/09/1956 Qualification: Master of Arts Designation: Director Occupation: Business Address: Flat No- 18/216, Adrshnagar, Near Vijaynagar, Naranpura, Ahmedabad, Gujarat-380013 Nationality: Indian Tenure: 5 years Original Date of Appointment: 13/05/2022 Date of Appointment at Current Designation: 09/09/2022 | 67 | Listed Companies: 1. Natco Economicals Limited |
| 2. | Ms. Falguni Mehal Raval DIN: 08605075 Date of Birth: 22/10/1974 Qualification: Bachelor of Commerce Designation: Director Address: I-14, Akanksha Apartment, Near Sola Crossing, Ghatlodia, Ahmedabad, Gujarat-380061 Occupation: Business Nationality: Indian Term: 5 years Original Date of Appointment: 07/07/2022 Date of Appointment at Current Designation: 09/09/2022 | 49 | Listed Companies: 1. Panth Infinity Limited Private Companies: 2. Yamunashtakam Tradeventures Private Limited |
| 3. | Mr. Jitendra Vaishnav DIN: 10414407 Date of Birth: 14/05/1983 Qualification: Masters in Business Administration Designation: Managing Director & Chief Financial Officer Occupation: Business Address: C/o Jagdishbhai Vaishnav, 547/3392, Gujarat Housing Board, Behind Police Station, Bapunagar, Ahmedabad City, Ahmedabad Gujarat- 380024 Nationality: Indian Term: Five year Original Date of Appointment: 27/03/2024 | 40 | Listed Companies: Nil Public Companies: Nil Private Companies: Nil LLPs: 1. Eknatheshwar Multitrade LLP |

| | | | |
|----|---|----|---|
| | Date of Appointment at Current Designation: 27/03/2024 | | |
| 4. | Mr. Samad Ahmed Khan DIN: 09527456 Date of Birth: 21/09/1989 Qualification: Higher Secondary Designation: Director Address: Room No 22, Chawl No 66, Bayabai, Sewri, Koliwada, Dry Fish Market, Near Godam No 20, Room No 85/2, Sewri, Mumbai, Maharashtra-400015 Occupation: Business Nationality: Indian Term: 5 years Original Date of Appointment: 05/03/2022 Date of Appointment at Current Designation: 24/04/2022 | 34 | Private Companies: 1. Yamunashtakam Tradeventures Private Limited |

Past Directorship in Suspended Companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

Past Directorship in Delisted Companies

Further, none of our directors are or were 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 during the last 10(Ten) years preceding the date of this Letter of Offer.

KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

Set forth below are the details of our senior management and key managerial personnel: -

| Name | Designation | Associated with Company since |
|-----------------------|-------------------------|-------------------------------|
| Mr. Jitendra Vaishnav | Managing Director & CFO | 27/03/2024 |
| Mr. Rahul Pitaliya | Company Secretary | 15/03/2024 |

Confirmations

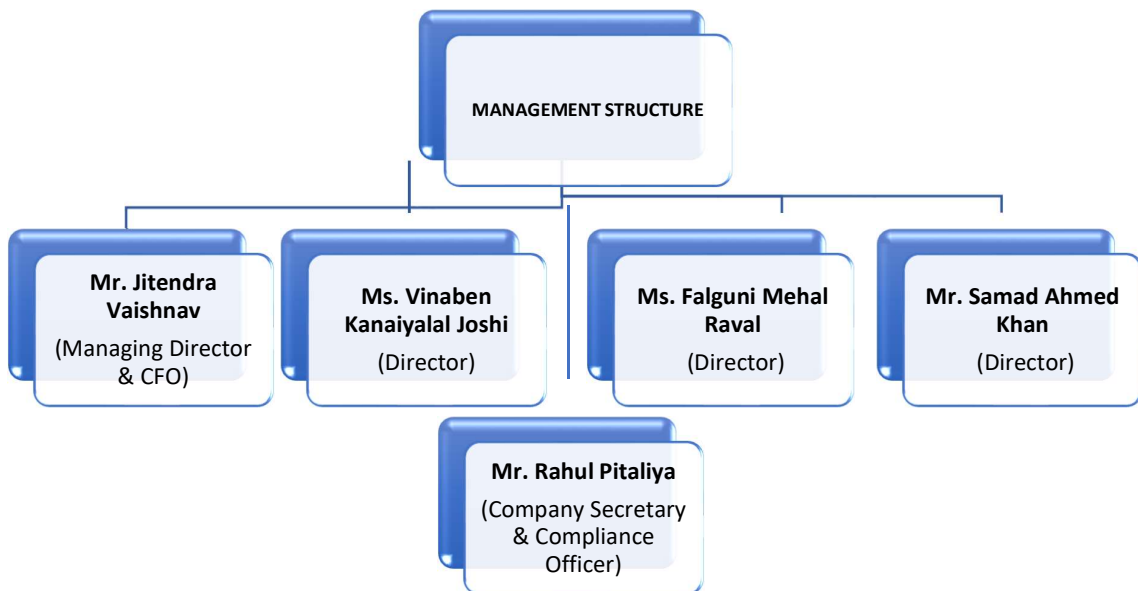
1. Neither Company nor our Directors are declared as fugitive economic offenders as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations and have not been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
2. None of the Directors of our Company have held or currently hold directorship in any listed company whose shares have been or were suspended from being traded on any of the stock exchanges in the five years preceding the date of filing of this Letter of Offer, during the term of his/ her directorship in such company.
3. None of our Directors of our Company are or were associated in the capacity of a director with any listed company which has been delisted from any stock exchange(s) at any time in the past.
4. None of our Directors have been debarred from accessing capital markets by the Securities and Exchange Board of India. Additionally, none of our Directors are or were, associated with any other company which is debarred from accessing the capital market by the Securities and Exchange Board of India.

None of our Directors have been identified as a wilful defaulter or fraudulent borrower, as defined in the SEBI Regulations and there are no violations of securities laws committed by them in the past and no prosecution or other proceedings for any such alleged violation are pending against them.

Management Organization Structure

The Management Organization Structure of the company is depicted from the following chart;

Management Organization Structure



Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

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

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

Committees of our Board

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

- 1) Audit Committee
- 2) Nomination and Remuneration Committee
- 3) Stakeholders' Relationship Committee

TERMS OF REFERENCE OF VARIOUS COMMITTEE:

1) Audit Committee

The following members forming a part of the said Committee:

| Name | Designation |
|----------------------------|--------------------|
| 1. Mr. Samad Ahmed Khan | Chairperson |
| 2. Ms. Falguni Mehal Raval | Member |
| 3. Mr. Jitendra Vaishnav | Member |

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

The scope, functions and the terms of reference of our Audit Committee, is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations which are as follows:

- i) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the Restated Financial Statement is correct, sufficient and credible;
- ii) Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- iii) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- iv) Reviewing, with the management, the annual financial statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement; to be included in the Board's Report in terms of clause (c) of subsection (3) of Section 134 of the Companies Act, 2013; changes, if any, in accounting policies and practices and reasons for the same;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transaction;
 - g) Modified opinion(s) in the draft audit report;
- v) Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
- vi) Reviewing with the management, the statement of uses / application of funds raised through an issue

- (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vii) Reviewing and monitoring the Auditor's independence & performance, and effectiveness of audit process;
 - viii) Approval or any subsequent modification of transactions of the Company with related parties;
 - ix) Scrutiny of inter-corporate loans and investments;
 - x) Valuation of undertakings or assets of the Company, wherever it is necessary;
 - xi) Evaluation of internal financial controls and risk management systems;
 - xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - xiv) Discussion with internal auditors of any significant findings and follow up there on;
 - xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
 - xvi) Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - xviii) To review the functioning of the Whistle-Blower mechanism;
 - xix) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
 - xx) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
 - xxi) Carrying out any other function as may be assigned to it by the board of director from time to time.

2) Nomination and Remuneration Committee

The following members forming a part of the said Committee:

| Name | Designation |
|---------------------------------|-------------|
| 1. Mr. Samad Ahmed Khan | Chairman |
| 2. Ms. Falguni Mehal Raval | Member |
| 3. Ms. Vinaben Kanaiyalal Joshi | Member |

The Company Secretary acts as the secretary of the Nomination and Remuneration Committee.

The scope, functions and the terms of reference of our Nomination and Remuneration Committee, is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations which are as follows:

- (i) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel ("KMP") and other employees;
- A. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
 - a) Use the services of an external agencies, if required;
 - b) Consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c) Consider the time commitments of the candidates.

- (ii) Specification of manner and criteria for effective evaluation of performance of Board, its committees and individual directors, to be carried out either by the board or by an independent external agency and review its implementation and compliance.
- (iii) Devising a policy on diversity of board of directors;
- (iv) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (v) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- (vi) Recommend to the board, all remuneration, in whatever form, payable to senior management.

3) Stakeholders' Relationship Committee

The following members forming a part of the said Committee:

| Name | Designation |
|----------------------------|-------------|
| 1. Mr. Samad Ahmed Khan | Chairperson |
| 2. Ms. Falguni Mehal Raval | Member |
| 3. Mr. Jitendra Vaishnav | Member |

The Company Secretary acts as the secretary of the Stakeholders' Relationship Committee.

The scope, functions and the terms of reference of our Stakeholders' Relationship Committee, is in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations which are as follows:

- (i) To consider and resolve the grievance of all the security holders related to transfer/ transmission of shares, non-receipts of annual reports and non-receipts of declared dividends, issue of new duplicate certificates, general meetings etc.;
- (ii) To review the measures taken for effective exercise of voting rights by shareholders
- (iii) To review the adherence to service standards adopted by the company in respect of various services being rendered by the Share Transfer Agent.
- (iv) To review various measures and initiatives undertaken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- (v) To review and act upon such other grievances as the Board of Directors delegate to the Committee from time to time.

Our Key Managerial Personnel:

In addition to our Executive Director and Whole Time Director, whose details have been provided under paragraph above titled 'Brief Profile of our Directors', set forth below are the details of our Key Managerial personnel as on the date of filing of this Letter of Offer:

Mr. Jitendra Vaishnav, Chief Financial Officer

Mr. Jitendra Vaishnav, is a Chief Financial Officer of the Company. He is MBA from Indian school of business Management & Administration. He has five years' experience as a dedicated Managing director & CEO.

Mr. Rahul Paliya, Company Secretary and Compliance Officer

Mr. Rahul Paliya is the Company Secretary and Compliance Officer of the Company. He is an associate member of The Institute of Company Secretaries of India having deep insight in areas of Corporate Laws, Corporate Governance and related matters.

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

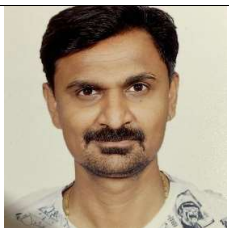
None of the Key Managerial Personnel are related in any capacity with the other Key Managerial Personnel of the Company.

OUR PROMOTER

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

BRIEF PROFILE OF OUR PROMOTERS IS AS UNDER:

1. Mr. Nishant Subhashchandra Gandhi

| | |
|---|---|
|  | Mr. Nishant Subhashchandra Gandhi is a business tycoon having 15 years of experience in the business of trading of Agro commodities including 3 years working experience in revenue department of Gujarat Government. |
| Age | 36 years (26/01/1987) |
| PAN | AJQPG2471C |
| Qualification | Post Graduation Diploma in Business administration |
| Personal Address | H. No. A/55, Ashok Tenament, Opp. Cadila Lab, Ghodasar, Ahmadabad City, Ahmedabad, Ghodasar, Gujarat-380050 |
| Directorship & Other Ventures | NA |

Our Company confirms that the permanent account number, bank account number and passport number of our Promoter shall be submitted to the Stock Exchanges at the time of filing this Letter of Offer.

Confirmations:

1. None of our Promoter has been declared as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.
2. Our Promoter has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
3. None of our Promoter or Promoter Group entities have been debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority. Our Promoter and members of the Promoter Group are not and have never been promoters, directors or person in control of any other company, which is debarred or prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.
4. Except as disclosed in the chapter titled “Outstanding Litigation and Material Developments”, there are no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last 5 (five) years preceding the date of the Issue against our Promoter.

INTEREST OF OUR PROMOTER

Interest of Promoters

Our Promoter does not have any interest in our Company except to the extent of compensation payable / paid, rents on properties owned by him or his relatives but used by our company and reimbursement of expenses (if applicable) and to the extent of any equity shares held by him or his relatives and associates or held by the companies, firms and trusts in which he is interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapters titled “**Capital Structure**”, “**Financial Statements**” and “**Our Management**” beginning on page 43, 92 and 81 of this Letter of Offer

Except as stated otherwise in this Letter of Offer, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by

our Company and development rights entered into by our Company other than in the normal course of business. For further details, please refer the section titled “**Related Party Transactions**” in chapter “**Financial Statements**” on page no. 90 and 92 of this Letter of Offer.

Interest in promotion of our Company

Our Company is currently promoted by the Promoters in order to carry on its present business. Our Promoters is interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest in the property, land, construction of building, supply of machinery, etc.

Except as mentioned in the chapter titled “**Our Business**” beginning on page 77 of this Letter of Offer, our Promoters do not have any other interest in any property acquired or proposed to be acquired by our Company in a period of 3 (three) years before filing of this Letter of Offer or in any transaction by our Company for acquisition of land, construction of building or supply of machinery or any other contract, agreement or arrangement entered into by our Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

Payment or Benefit to the Promoters or Promoter Group in the last 2 (two) years

Except as stated above in “**Our Management**” and “**Financial Statements**” beginning on pages 81 and 92 respectively of this Letter of Offer, there has been no amount or benefit paid or given during the preceding 2 (two) years of filing Letter of Offer or intended to be paid or given to any Promoters or member of our Promoter Group and no consideration for payment of giving of the benefit.

MATERIAL GUARANTEES GIVEN TO THIRD PARTIES

Except as stated in the “**Financial Information**” beginning on page 92 of this Letter of Offer, our Promoter has not given material guarantees to the third party(ies) with respect to the specified securities of our Company.

RELATIONSHIP OF OUR PROMOTERS WITH OUR DIRECTORS

As on the date of the Letter of Offer, none of our Promoter(s) are related to any of our Company’s Directors within the meaning of Section 2 (77) of the Companies Act, 2013.

COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEDING THREE YEARS

Except as stated below, as on the date of the Letter of Offer, none of our Promoter(s) have disassociated with any Companies in the preceding three years: NIL

OUR PROMOTER GROUP

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR)Regulations 2018 form part of our Promoter Group:

| | |
|------------------------|-------------------------------------|
| Promoter | Mr. Nishant Subhashchandra Gandhi |
| Father | Mr. Subhashchandra Chimanlal Gandhi |
| Mother | Mrs. Nayanaben Subhaschandra Gandhi |
| Spouse | Mrs. Bansari Nishant Gnadhi |
| Brothers | NA |
| Sisters | Ms. Ekta Subhas Gandhi |
| Sons | Mr. Aaryans Nishant Gandhi |
| Daughters | Ms. Chahana Nishant Gandhi |
| Spouse Father | Mr. Jayesh Dalichand Shah |
| Spouse Mother | Mrs. Bhartiben Jayesh Shah |
| Spouse Brothers | Mr. Rishit Jayesh Shah |
| Spouse Sister | NA |

This page has been left blank intentionally.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, during the last three Fiscals, as per the requirements under Ind AS 24 read with SEBI ICDR Regulations and as reported in the Restated Financial Statements, see section titled "**Financial Information**" at page 92 of this Letter of Offer. For details of the related party transactions, during the nine months period ended December 31, 2023, as per the requirements under the Ind AS 24 and as reported in the Interim Condensed Consolidated Financial Statements, see section titled "**Financial Information**" at page 92 of this Letter of Offer.

DIVIDEND POLICY

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

The Board of directors of the company has declared an Interim Dividend @ 0.01% i.e., 1 paisa/- per Equity Share of face value of Re. 1/- each for the Financial Year 2022-23 for the Financial Year 2023-24.

SECTION V – FINANCIAL INFORMATION

RESTATED FINANCIAL STATEMENTS

| S. No. | Particulars | Page No. |
|---------------|---|-----------------|
| 1. | Restated Consolidated Financial Statements for the period ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. | 93 |
| 2. | Restated Standalone Financial Statements for the period ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021. | 124 |



F.R.N. 022743N

KAPISH JAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

Independent Auditor's Examination Report on the restated Consolidated Statement of Assets and Liabilities as at 31 December 2023 and 31 March 2023, Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Cash Flows and changes in equity for the period/years ended 31 December 2023 and 31 March 2023, of IFL Enterprises Limited (collectively, the "Restated consolidated Financial Statements")

To,

The Board of Directors
IFL Enterprises Limited
A-607, Prahladnagar Trade Center Radio Mirchi Road,
Vejalpur, Ahmedabad, Gujarat, India, 380015

Dear Sirs:

1. We have examined the attached restated Consolidated Financial Statements of IFL Enterprises Limited (the "holding company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") annexed to this report and prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with its Right Issue. The Restated Consolidated Financial Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
 - a) Sub-Section (1) of section 62 of Part 1 of Chapter 3 of the Companies Act, 2013 (the "Act").
 - b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

Management Responsibility for the Consolidated Restated Summary Statements

2. The preparation of the Restated Consolidated Financial Statements, which are to be included in the Offer documents is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

Auditor's Responsibilities

3. We have examined such Restated Consolidated Financial Statements taking into consideration:
 - a. The terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 16, 2023, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company;



- b. The Guidance Note; The Guidance Note also requires that we comply with the ethical requirement of the Code of Ethics issued by the ICAI.
- c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Unconsolidated summary statements; and
- d. The requirement of Section 62 of the Act and the ICDR Regulations;

Our work was performed solely to assist you in meeting your responsibilities in relation to your Compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Right Issue.

Restated Consolidated Financial Statements as per audited Financial Statements

4. These Restated Consolidated Financial Statements have been compiled by the management of the Company from:

Audited consolidated financial statements of the group as at and for the period/year ended December 31, 2023 and March 31, 2023, which were prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with relevant rules thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on March 16, 2024, May 09, 2023 respectively; and

5. The audit for the period/year ended on 31 December 2023 and 31 March 2023 were conducted by us. There are no audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year ended on 31 March 2023 which would require adjustments in the Restated Consolidated Financial Statements of the Company. The financial report included for the year is based solely on the report submitted by the management.

Based on the above and according to the information and explanations given to us, we report that the Restated Consolidated Financial Statements of the Group, as attached to this report read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 2 have been prepared in accordance with the Act, ICDR Regulations, Guidance Note, and these Restated Consolidated Financial Statements:

- i. have been made after making adjustments for the changes in accounting policies. As the accounting policies were materially consistent with the policies adopted as at and for the period/year ended 31 December 2023 and 31 March 2023, no adjustments have been made to the audited financial statements of the respective years presented on account of changed in accounting policies;
- ii. have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;



- iii. does not have any qualifications in the auditor's reports on the audited financial statements of the Group as at 31 December 2023 and 31 March 2023 which require any adjustments to the Restated Consolidated Financial Statements.
6. Restated Consolidated Financial Statements includes a subsidiary entity "Yamunashtakam Tradeventures Private Limited", whose share of total assets, revenue from operations, total net profits/(loss) after tax and total comprehensive income as considered in the Restated Consolidated Financial Statements, which have been audited by us, is tabulated below:

| Particulars | As at 31 Dec 2023 | As at 31 March 2023 |
|-----------------------------------|-------------------|---------------------|
| Total Assets | 643.81 | 692.20 |
| Revenue from Operations | - | 300.75 |
| Total net profit/(loss) after tax | (1.44) | 0.96 |
| Total comprehensive Income | (1.44) | 0.96 |

7. The Restated Summary Statements do not reflect the effects of events that occurred subsequent to the audited financial mentioned in paragraph 4 above.
8. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after date of the report.
10. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filled with recognized Stock Exchange in connection with the proposed Right Issue. Our report should not be used, referred to, or distributed for any other purpose.

As per attached report of even date
For Kapish Jain & Associates
 Chartered Accountants
 Firm Reg. No. 022743N


Kapish Jain
 Partner
 Membership No.: 514162
 Date: 16 March 2024
 Place: New Delhi
 UDIN: 24514162BKBHUU04874



CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Note No. | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|----------|---------------------------|------------------------|------------------------|------------------------|
| Assets | | | | | |
| 1 Non-current assets | | | | | |
| a. Property, Plant & Equipments | L1 | 30.97 | 9.21 | - | - |
| b. Financial assets | | - | - | - | - |
| i. Investments | | - | - | - | - |
| ii. Other financial assets | | - | - | - | - |
| c. Deferred tax assets (Net) | L2 | 1.94 | 1.84 | - | - |
| d. Income tax assets | | - | - | - | - |
| e. Other non-current assets | L3 | 5.42 | 3.77 | - | - |
| Total non-current assets | | 38.33 | 14.82 | - | - |
| 2 Current assets | | | | | |
| a. Inventories | L4 | 29.77 | 100.34 | - | - |
| b. Financial assets | | - | - | - | - |
| i. Investments | L5 | 5.62 | 3.43 | - | - |
| ii. Trade receivables | L6 | 538.05 | 425.73 | - | - |
| iii. Cash & cash equivalents | L7 | 77.70 | 15.08 | - | - |
| iv. Loans | L8 | 2,127.54 | 2,290.32 | - | - |
| c. Current tax assets (Net) | | - | - | - | - |
| d. Other current assets | L3 | 89.42 | - | - | - |
| Total current assets | | 2,868.10 | 2,834.90 | - | - |
| Total assets | | 2,906.43 | 2,849.72 | - | - |
| Equity and liabilities | | | | | |
| 1 Equity | | | | | |
| a. Equity share capital | L9 | 2,501.36 | 1,819.23 | - | - |
| b. Other equity | L10 | 129.12 | 681.61 | - | - |
| Total Equity | | 2,630.48 | 2,500.84 | - | - |
| 2 Liabilities | | | | | |
| Non-current liabilities | | | | | |
| a. Financial liabilities | | | | | |
| i. Borrowings | L11 | 16.74 | - | - | - |
| ii. Provisions | | - | - | - | - |
| c. Other non-current liabilities | | - | - | - | - |
| Total non-current liabilities | | 16.74 | - | - | - |
| Current liabilities | | | | | |
| a. Financial liabilities | | | | | |
| i. Borrowings | L11 | 35.25 | - | - | - |
| ii. Trade payables | L12 | - | - | - | - |
| a.) total outstanding dues of micro enterprises and small enterprises | | 1.02 | 0.68 | - | - |
| b.) total outstanding dues of Creditors other than micro enterprises and small enterprises | | 151.20 | 58.13 | - | - |
| iii. Other financial liability | L13 | 70.36 | 29.83 | - | - |
| b. Other current liabilities | L14 | 1.38 | 260.24 | - | - |
| Total current liabilities | | 259.21 | 348.88 | - | - |
| Total equity and liabilities | | 2,906.43 | 2,849.72 | - | - |

See accompanying notes to the consolidated financial statements, as restated.

In terms of our report attached
For **Kapish Jain & Associates**,
Chartered Accountants
Firm's Registration No. 022743N

CA **Kapish Jain**
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar
Kiritkumar Sundhabhai Parmar
Managing Director and CFO
DIN: 10414409
Place: Ahmedabad

Rahul Pitoliya
Rahul Pitoliya
Company Secretary
M. No.: A69746
Place: Ahmedabad

Vinay K. Joshi
Vinay Kanalyalal
Director
DIN: 07900014
Place: Ahmedabad

IFL Enterprises Limited
CIN L74110DL2009PLC186958

ANNEXURE - II

CONSOLIDATED STATEMENT OF PROFIT & LOSS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Note No. | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| I Revenue from operations | II.1 | 625.45 | 817.42 | - | - |
| II Other income | II.2 | 105.47 | 129.56 | - | - |
| III Total income | | 730.92 | 946.97 | - | - |
| IV Expenses | | | | | |
| Purchases of stock in trade | II.3 | 409.89 | 848.90 | - | - |
| Changes in inventories of stock in trade | II.4 | 70.56 | (90.98) | - | - |
| Employee benefits expense | II.5 | 7.46 | 17.27 | - | - |
| Finance cost | II.6 | 0.71 | 0.02 | - | - |
| Depreciation and amortisation expense | II.7 | 5.06 | 3.63 | - | - |
| Other expenses | II.8 | 30.85 | 105.16 | - | - |
| Total expenses (IV) | | 524.55 | 875.01 | - | - |
| V Profit/(Loss) Before Tax (III-IV) | | 206.38 | 71.97 | - | - |
| X Tax expense | | | | | |
| Current tax | | 54.10 | 20.08 | - | - |
| Deferred tax credit | | (0.10) | 0.09 | - | - |
| | | 54.00 | 20.17 | - | - |
| XI Profit/(Loss) (IX-X) | | 152.38 | 51.81 | - | - |
| XII Other comprehensive income | | | | | |
| Items that will not be reclassified to profit and loss | | - | - | - | - |
| Income Tax relating to Items that will not be reclassified to profit and loss | | - | - | - | - |
| XIII Total comprehensive income (XI+XII) | | 152.38 | 51.81 | - | - |
| XIV Earning per equity share | II.9 | | | | |
| Equity shares of face value Rs. 1 each | | | | | |
| Basic | | 0.06 | 0.03 | - | - |
| Diluted | | 0.06 | 0.03 | - | - |

See accompanying notes to the consolidated financial statements, as restated.

In terms of our report attached
For **Kapish Jain & Associates**,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar
Kirtikumar Senthubhai Parmar
Managing Director and CFO
DIN: 10414409
Place : Ahmedabad

Rahul Pitliya
Rahul Pitliya
Company Secretary
M. No.: A69746
Place : Ahmedabad

Vinaben Kanaiyalal
Director
DIN: 07900014
Place : Ahmedabad

CONSOLIDATED STATEMENT OF CASH FLOW, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | | | |
| Profit/(loss) after tax | 206.38 | 71.97 | - | - |
| Adjustments for : | | | | |
| Depreciation of plant, property and equipment | 5.06 | 3.63 | - | - |
| Interest Income | (80.24) | (129.43) | - | - |
| Adjustments for consolidation | - | 2.12 | - | - |
| Other Income | - | - | - | - |
| Interest Expenses | 0.71 | 0.02 | - | - |
| Operating profit before working capital changes | 131.91 | (51.69) | - | - |
| Adjustments for net (increase)/decrease in operating assets | | | | |
| (Increase)/ decrease in trade receivables | (112.32) | (411.33) | - | - |
| (Increase)/ decrease in other current assets | - | - | - | - |
| (Increase)/ decrease in non current assets | (1.65) | 60.44 | - | - |
| (Increase)/ decrease in inventories | 70.56 | (100.34) | - | - |
| Increase/ (decrease) in trade payables | 93.41 | 58.69 | - | - |
| Increase/ (decrease) in non current financial liabilities | 16.74 | - | - | - |
| Increase/ (decrease) in other financial liabilities | 7.59 | 5.61 | - | - |
| Increase/ (decrease) in other current liabilities | (258.86) | 259.99 | - | - |
| Cash generated from operating activities before tax | (52.61) | (178.63) | - | - |
| Income taxes paid (Net) | (21.16) | 0.02 | - | - |
| Net cash generated from operating activities | (73.77) | (178.61) | - | - |
| B. Cash Flow from Investing Activities | | | | |
| Investments made | (2.19) | (3.43) | - | - |
| Net Proceeds from sale of Investments | - | - | - | - |
| Purchase of fixed assets | (26.82) | (5.56) | - | - |
| Loans advanced | 73.36 | (1,898.25) | - | - |
| Interest on loans advanced | 80.24 | 129.43 | - | - |
| Net cash generated from/(used in) Investing activities | 124.58 | (1,777.81) | - | - |
| C. Cash flows from financing activities | | | | |
| Issue of share capital (including security premium) | - | 1,828.20 | - | - |
| Proceeds from short term borrowings | 35.25 | - | - | - |
| Dividend Paid | (22.74) | - | - | - |
| Interest Expenses | (0.71) | - | - | - |
| Net cash generated from/(used in) financing activities | 11.81 | 1,828.20 | - | - |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 62.62 | (128.23) | - | - |
| Cash and cash equivalents at the beginning of year | 15.08 | 143.31 | - | - |
| Cash and cash equivalents at the end of year | 77.70 | 15.08 | - | - |
| Cash & Cash Equivalents Includes: | | | | |
| Cash in Hand | 14.75 | 12.64 | - | - |
| Balance with Bank | 62.95 | 2.44 | - | - |
| | 77.70 | 15.08 | - | - |

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.
2) Figures in brackets indicate cash outflow.

See accompanying notes to the consolidated financial statements, as restated.

In terms of our report attached
For Kapiish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapiish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar
Kiritkumar Senhabhal Parmar
Managing Director and CFO
DIN: 10414409
Place : Ahmedabad

Vinay K. Joshi
Vinaben Kanalyalal
Director
DIN: 07960014
Place : Ahmedabad

Rahul Pitaliya
Rahul Pitaliya
Company Secretary
M. No.: A69746
Place : Ahmedabad

IFL Enterprises Limited
CIN L74110DL2009PLC186958

ANNEXURE IV

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

| Particulars | No. of shares | Amount |
|--|---------------------|-----------------|
| Equity shares of Rs. 1 each (As at 31st March 2023 - 18,192,344 shares of Rs.10 each) | - | - |
| Balance as at 1 April 2021 | - | - |
| Issue of equity share capital | - | - |
| Balance as at 31 March 2022 | 30,02,172 | 300.22 |
| Issue of equity share capital | 1,51,90,172 | 1,519.02 |
| Balance as at 31 March 2023 | 1,81,92,344 | 1,819.23 |
| Less: Share extinguished on splitting of shares | (1,81,92,344) | - |
| Split of shares during the period | 18,19,23,440 | - |
| Add: Bonus Issue | 6,82,12,871 | 682.13 |
| Add: Increase during the year | - | - |
| Balance as at 31 December 2023 | 25,01,36,311 | 2,501.36 |

B. Other Equity

| Particulars | Capital Reserve | Retained Earning | Security Premium | Total |
|---|-----------------|------------------|------------------|---------------|
| Balance as at 1 April 2020 | - | - | - | - |
| Profit for the year | - | - | - | - |
| Transfer to Statutory Reserve | - | - | - | - |
| Balance as at 31 March 2021 | - | - | - | - |
| Profit for the year | - | - | - | - |
| Transfer to Statutory Reserve | - | - | - | - |
| Balance as at 31 March 2022 | - | 6.46 | 312.03 | 318.49 |
| Opening balance of reserve & surplus of subsidiary | - | 2.12 | - | 2.12 |
| Less: opening balance of reserve & surplus of subsidi | - | (2.12) | - | (2.12) |
| Less: Utilised for Bonus issue | - | - | - | - |
| Add: Addition during the year/period | - | - | 309.18 | 309.18 |
| Profit / (loss) for the year | - | 51.81 | - | 51.81 |
| Add/(less): capital reserve on consolidation | 1.65 | - | - | 1.65 |
| Add: Pre-acquisition profit/(loss) | - | 0.48 | - | 0.48 |
| Balance as at 31 March 2023 | 1.65 | 58.75 | 621.21 | 681.62 |
| Less: Utilised for Bonus issue | - | (60.92) | (621.21) | (682.13) |
| Profit / (loss) for the year | - | 152.38 | - | 152.38 |
| Less: Dividend paid | - | (22.74) | - | (22.74) |
| Balance as at 31 December 2023 | 1.65 | 127.47 | - | 129.12 |

See accompanying notes to the consolidated financial statements, as restated.

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar

Kiritkumar Sindhavhai Parmar
Managing Director and CFO
DIN: 10414409
Place: Ahmedabad

Rahul Pitliya

Rahul Pitliya
Company Secretary
M. No.: A69746
Place: Ahmedabad

Vinay K. Joshi

Vinay Kanayalal
Director
DIN: 07900014
Place: Ahmedabad

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

1 Corporate Information

IFL Enterprises Limited (CIN L74110DL2009PLC186958) was incorporated on January 23rd, 2009 under the Companies Act, 1956 with the Registrar of Companies Delhi. The Company is involved in the business of trading of all type of paper for writing, wrapping, kraft and semi kraft cloth paper, wall paper and related products, also act as commission agent stockist on behalf of others as well as shares and securities within permissible limits prescribed by the regulators such as RBI or SEBI. The company is listed on Bombay Stock exchange (BSE) [Script code: 540377].

The consolidated financial statements as at 31 December 2023 and 31 March 2023 present the consolidated financial position of the group as well as its subsidiary company. The list of Subsidiary, which are included in the consolidation and the Company's holding therein are as under:

| Name of the Company | Country of Incorporation | Percentage of voting power |
|---|--------------------------|----------------------------|
| Subsidiaries Companies | | |
| Yamunashtakam Tradeventures Private Limited | India | 100% |

2 Significant Accounting Policies :

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Accounting policies have been applied consistently to all periods presented in these financial statements.

2.2 Basis of Preparation of consolidated financial Statements

The consolidated financial statements of the group have been prepared in accordance with IND AS notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time. The consolidated financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant IND AS at the end of each reporting period.

The consolidated financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per Indian Accounting Standard notified by Companies (Accounting Standards) Rules, 2006.

Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of:

- The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and
- The minority share of movements in equity since the date the parent subsidiary relationship came into existence.

Minority's share of net profit for the year of consolidated subsidiaries is identified and adjusted against the Profit after tax of the Group.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

Goodwill/capital reserve arising on the acquisition of an associate by an investor is included in the carrying amount of investment in the associate and is disclosed separately.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

2.3 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.4 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

2.5 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

Valuation of deferred tax assets

In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.

2.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

- a) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.
- b) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.
- c) Interest on overdue installments is accounted for on receipt basis.
- d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

2.7 Foreign currencies

The functional currency of the Company is Indian rupee (Rs.).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.8 Employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

2.8.1 Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

2.8.2 Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will received on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and post service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits

Expenses in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.9.1 Current tax

2.9.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.9.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.10 Inventories

Repossessed assets are valued at the end at lower of book value or net realizable value as certified by the management of the Company.

2.11 Property plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment (including freehold land) as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is computed on Written down value ("WDV") method based on estimated useful lives as determined by internal assessment of the assets in terms of Schedule of II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

No further charge is provided in respect of assets that are fully written down but are still in use.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

2.12 Intangible assets

Development of property (website) and software costs are included in the balance sheet as intangible assets, when they are clearly linked to long term economic benefits for the Company. These are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

2.13 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.15 Financial Instruments

A. Initial recognition

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

B. Subsequent measurement

I. Non-derivative financial instruments

a. Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

Investment in equity instruments (other than subsidiaries / associates / joint ventures) - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.16 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.17 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

3 Other notes to restated financial statements

3.1 Non-adjustment Items:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

3.2 Material Re-groupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit & Loss and Cash flows wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

3.3 Statement of Restatement Adjustments to Audited financial statements:

Reconciliation between audited total comprehensive income and restated total comprehensive income

| Particulars | For the year ended | | | |
|--|--------------------|---------------|---------------|---------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Audited total comprehensive Income | 152.38 | 51.81 | - | - |
| Restated adjustments | - | - | - | - |
| Restated total comprehensive Income | 152.38 | 51.81 | - | - |

Reconciliation between audited shareholder's funds and restated shareholder's funds

| Particulars | For the year ended | | | |
|------------------------------------|--------------------|-----------------|---------------|---------------|
| | 31 March 2023 | 31 March 2022 | 31 March 2021 | 31 March 2021 |
| Audited shareholder's Funds | 2,630.48 | 2,500.84 | - | - |
| Restated adjustments | - | - | - | - |
| Restated Equity | 2,630.48 | 2,500.84 | - | - |
| Inventory as per Books of Accounts | 29.77 | 100.34 | - | - |
| Regrouped into current investment | - | - | - | - |
| Inventory as per Restated | 29.77 | 100.34 | - | - |

3.4 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of amounts payable to such enterprises have been made based on the information available with the Company. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the Management.



3.5 As required under SEBI (ICDR) Regulations, the Statement of Assets and Liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.

3.6 Expenditure/Earnings in Foreign currency (on accrual basis).

| Particulars | For the year ended | | | |
|---------------------------------|--------------------|---------------|---------------|---------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Expenditure in Foreign Currency | - | - | - | - |
| Earning in Foreign Currency | - | - | - | - |

3.7 Trade Receivables, Trade Payable, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payable, Borrowings, Loans & Advances and Deposits are subject to confirmation and reconciliation.

3.8 Re-grouping/re-classification of amounts

The figures have been grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

3.10 Examination of Books of Accounts & Contingent Liability

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

3.11 Director Personal Expenses

There are no director personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

3.12 Deferred Tax Asset/Liability: [IND AS-12]

The Company has created Deferred Tax Asset/Liability as required by Indian Accounting Standard (Ind AS)-12.

3.13 Additional Information

As at Dec 31, 2023:

| Name of the Entity | Net Assets | | Share in profit or loss | | income | |
|---|------------------------|-----------------|---------------------------------|---------------|-----------------------------|----------|
| | As consolidated assets | % of Amount net | As consolidated profit and loss | % of Amount | As % of consolidated Amount | |
| Holding: | | | | | | |
| IFL Enterprises Limited | 77% | 2025.85 | 101% | 153.81 | - | - |
| Subsidiary: | | | | | | |
| Yamunashtakam Tradeventures Private Limited | 23% | 604.64 | -1% | (1.44) | - | - |
| Total | 100% | 2630.48 | 100% | 152.38 | - | - |

As at March 31, 2023:

| Name of the Entity | Net Assets | | Share in profit or loss | | income | |
|---|------------------------|-----------------|---------------------------------|--------------|-----------------------------|----------|
| | As consolidated assets | % of Amount net | As consolidated profit and loss | % of Amount | As % of consolidated Amount | |
| Holding: | | | | | | |
| IFL Enterprises Limited | 76% | 1894.77 | 98% | 50.86 | - | - |
| Subsidiary: | | | | | | |
| Yamunashtakam Tradeventures Private Limited | 24% | 606.07 | 2% | 0.95 | - | - |
| Total | 100% | 2500.84 | 100% | 51.81 | - | - |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.1 Property, Plant & Equipments

| As at 31 December 2023 | | | | | |
|------------------------|------------------------|--------------|----------------------|-----------|----------------------|
| Cost | As at 1 April 2023 | Additions | Adjustments | Deletions | As at 31 Dec 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 5.98 | 0.15 | - | - | 6.13 |
| Mobile | 2.52 | - | - | - | 2.52 |
| Vehicle | 0.63 | 26.67 | - | - | 27.29 |
| Generators | 5.57 | - | - | - | 5.57 |
| Printer | 0.16 | - | - | - | 0.16 |
| Total | 40.48 | 26.82 | - | - | 67.31 |
| Depreciation | | | | | |
| | As at 1 April 2023 | Additions | Adjustments | Deletions | As at 31 Dec 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 17.73 | 0.75 | - | - | 18.48 |
| Computers | 4.48 | 0.87 | - | - | 5.35 |
| Mobile | 0.37 | 0.31 | - | - | 0.68 |
| Vehicle | 0.54 | 2.88 | - | - | 3.42 |
| Generators | 4.03 | 0.21 | - | - | 4.24 |
| Printer | 0.07 | 0.05 | - | - | 0.12 |
| Total | 31.27 | 5.06 | - | - | 36.33 |
| Carrying amounts | | | | | |
| | As at 31 March 2023 | | As at 31 Dec 2023 | | |
| Office Premises | | | | | - |
| Furniture and fixtures | | | | | 3.83 |
| Computers | | | | | 1.49 |
| Mobile | | | | | 0.78 |
| Vehicle | | | | | 2.15 |
| Generators | | | | | 0.09 |
| Printer | | | | | 23.87 |
| Total | | | | | 1.55 |
| | | | | | 1.34 |
| | | | | | 0.09 |
| | | | | | 0.05 |
| Total | | | | | 9.21 |
| | | | | | 30.97 |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

Property, Plant & Equipments

| As at 31 March 2023 | | | | | |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| Cost | As at 1 April 2022 | Additions | Adjustments | Deletions | As at 31 March 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 3.10 | 2.88 | - | - | 5.98 |
| Mobile | - | 2.52 | - | - | 2.52 |
| Vehicle | 0.63 | - | - | - | 0.63 |
| Generators | 5.57 | - | - | - | 5.57 |
| Printer | - | 0.16 | - | - | 0.16 |
| Total | 34.92 | 5.56 | - | - | 40.48 |

| Depreciation | | | | | |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| | As at 1 April 2022 | Additions | Adjustments | Deletions | As at 31 March 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 16.42 | 1.31 | - | - | 17.73 |
| Computers | 2.94 | 1.54 | - | - | 4.48 |
| Mobile | - | 0.37 | - | - | 0.37 |
| Vehicle | 0.51 | 0.03 | - | - | 0.54 |
| Generators | 3.72 | 0.31 | - | - | 4.03 |
| Printer | - | 0.07 | - | - | 0.07 |
| Total | 27.64 | 3.63 | - | - | 31.27 |

| Carrying amounts | | |
|------------------------|------------------------|------------------------|
| | As at 31 March 2022 | As at 31 March 2023 |
| Office Premises | - | - |
| Furniture and fixtures | 5.15 | 3.83 |
| Computers | 0.15 | 1.49 |
| Mobile | - | 2.15 |
| Vehicle | 0.12 | 0.09 |
| Generators | 1.85 | 1.55 |
| Printer | - | 0.09 |
| Total | 7.27 | 9.21 |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

Property, Plant & Equipments

| As at 31 March 2022 | | | | | |
|------------------------|-----------------------|-----------|-------------|-----------|------------------------|
| Cost | As at 1 April 2021 | Additions | Adjustments | Deletions | As at 31 March 2022 |
| Office Premises | - | - | - | - | - |
| Furniture and fixtures | - | - | - | - | - |
| Computers | - | - | - | - | - |
| Vehicle | - | - | - | - | - |
| Generators | - | - | - | - | - |
| Total | - | - | - | - | - |

| Depreciation | | | | | |
|------------------------|-----------------------|-----------|-------------|-----------|------------------------|
| | As at 1 April 2021 | Additions | Adjustments | Deletions | As at 31 March 2022 |
| Office Premises | - | - | - | - | - |
| Furniture and fixtures | - | - | - | - | - |
| Computers | - | - | - | - | - |
| Vehicle | - | - | - | - | - |
| Generators | - | - | - | - | - |
| Total | - | - | - | - | - |

| Carrying amounts | | | | | |
|------------------------|------------------------|--|--|------------------------|---|
| | As at 31 March 2021 | | | As at 31 March 2022 | |
| Office Premises | - | | | - | - |
| Furniture and fixtures | - | | | - | - |
| Computers | - | | | - | - |
| Vehicle | - | | | - | - |
| Generators | - | | | - | - |
| Total | - | | | - | - |

Property, Plant & Equipments

| As at 31 March 2021 | | | | | |
|------------------------|-----------------------|-----------|-------------|-----------|------------------------|
| Cost | As at 1 April 2020 | Additions | Adjustments | Deletions | As at 31 March 2021 |
| Office Premises | - | - | - | - | - |
| Furniture and fixtures | - | - | - | - | - |
| Computers | - | - | - | - | - |
| Vehicle | - | - | - | - | - |
| Generators | - | - | - | - | - |
| Total | - | - | - | - | - |

| Depreciation | | | | | |
|------------------------|-----------------------|-----------|-------------|-----------|------------------------|
| | As at 1 April 2020 | Additions | Adjustments | Deletions | As at 31 March 2021 |
| Office Premises | - | - | - | - | - |
| Furniture and fixtures | - | - | - | - | - |
| Computers | - | - | - | - | - |
| Vehicle | - | - | - | - | - |
| Generators | - | - | - | - | - |
| Total | - | - | - | - | - |

| Carrying amounts | | | | | |
|------------------------|------------------------|--|--|------------------------|---|
| | As at 31 March 2020 | | | As at 31 March 2021 | |
| Office Premises | - | | | - | - |
| Furniture and fixtures | - | | | - | - |
| Computers | - | | | - | - |
| Vehicle | - | | | - | - |
| Generators | - | | | - | - |
| Total | - | | | - | - |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ Lacs, unless otherwise stated)

| 1.2 Deferred tax assets (Net) | | | | |
|---|---------------------------|--------------------------------|------------------------|------------------------|
| | At at 1 April 2023 | Recognised in profit & loss | At at 31 Dec. 2023 | |
| Difference in written down value as per companies act and income tax act | 1.84 | (0.10) | 1.94 | |
| Total | 1.84 | (0.10) | 1.94 | |
| | At at 1 April 2022 | Recognised in profit & loss | At at 31 March 2023 | |
| Difference in written down value as per companies act and income tax act | 1.93 | (0.09) | 1.84 | |
| Total | 1.93 | (0.09) | 1.84 | |
| | At at 1 April 2021 | Recognised in profit & loss | At at 31 March 2022 | |
| Difference in written down value as per companies act and income tax act | - | - | - | |
| Total | - | - | - | |
| | At at 1 April 2020 | Recognised in profit & loss | At at 31 March 2021 | |
| Difference in written down value as per companies act and income tax act | - | - | - | |
| Total | - | - | - | |
| 1.3 Other assets | | | | |
| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| Other non-current assets | | 3.51 | - | - |
| Capital advances | 5.00 | 0.24 | - | - |
| Fixed Deposits with Banks | 0.62 | - | - | - |
| Other Advance | - | 3.77 | - | - |
| Total | 5.62 | 7.52 | - | - |
| Other current assets (Unsecured, considered good unless otherwise stated) | | | | |
| Duties & Taxes recoverable | 5.71 | - | - | - |
| Prepaid expenses | 1.77 | - | - | - |
| Advance to Vendors | 72.49 | - | - | - |
| Other loans and advances | - | - | - | - |
| Accrued Interest | 9.48 | - | - | - |
| Total | 89.45 | - | - | - |
| 1.4 Inventories | | | | |
| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
| Paper & Fabric items (at lower of cost or NRV) | 29.77 | 100.31 | - | - |
| Total | 29.77 | 100.31 | - | - |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ Lacs, unless otherwise stated)

1.5 Investments

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------|---------------------------|------------------------|------------------------|------------------------|
| Investment in Gold Ornaments | 5.62 | 3.41 | - | - |
| | <u>5.62</u> | <u>3.41</u> | <u>-</u> | <u>-</u> |

1.6 Trade Receivables

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Secured & Considered Goods | - | - | - | - |
| Unsecured & Considered Goods | 538.05 | 425.73 | - | - |
| Doubtful | - | - | - | - |
| Less: Provision for bad and doubtful trade receivables | <u>538.05</u> | <u>425.73</u> | <u>-</u> | <u>-</u> |

Aging analysis of Trade Receivables as on 31st December 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | 369.63 | 123.36 | 45.05 | - | - | 538.05 |
| considered good | - | - | - | - | - | - |
| considered doubtful | <u>369.63</u> | <u>123.36</u> | <u>45.05</u> | <u>-</u> | <u>-</u> | <u>538.05</u> |

Aging analysis of Trade Receivables as on 31st March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|--------------|-----------|-------------------|---------------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | 279.94 | 135.10 | 10.69 | - | - | 425.73 |
| considered good | - | - | - | - | - | - |
| considered doubtful | <u>279.94</u> | <u>135.10</u> | <u>10.69</u> | <u>-</u> | <u>-</u> | <u>425.73</u> |

Aging analysis of Trade Receivables as on 31st March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Aging analysis of Trade Receivables as on 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|--------------------|-----------|-----------|-------------------|----------|
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

1.7 Cash and cash equivalents

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------------|------------------------|------------------------|------------------------|
| Cash on Hand | 14.75 | 12.64 | - | - |
| Balances with banks in current accounts | 62.93 | 2.44 | - | - |
| Fixed Deposits with Banks | - | - | - | - |
| | <u>77.68</u> | <u>15.08</u> | <u>-</u> | <u>-</u> |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ Lacs, unless otherwise stated)

1.8 Loans

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------|---------------------------|------------------------|------------------------|------------------------|
| Unsecured, considered goods | - | - | - | - |
| Term Loans | 2,127.54 | 2,290.32 | - | - |
| Loans to others | - | - | - | - |
| | <u>2,127.54</u> | <u>2,290.32</u> | - | - |

1.12 Trade payables

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 1.02 | 0.68 | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 151.20 | 58.81 | - | - |
| | <u>152.22</u> | <u>59.49</u> | - | - |

Details of dues to Micro and Small Enterprises as defined under the MSMED Act.

The Company has due returns to suppliers to ascertain whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have filed required memorandum with the prescribed authorities. Based on the confirmation received, if any, the detail of outstanding are as under:

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| - Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 1.02 | 0.66 | - | - |
| - Increase due to suppliers registered under the MSMED Act and remaining unpaid as at year end | - | 0.02 | - | - |
| - Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | - | - |
| - Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond | - | - | - | - |
| - Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | - | - |
| - Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - | - | - |
| - Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act | - | - | - | - |
| - Interest accrued and remaining unpaid as at the end of year | - | 0.02 | - | - |
| - Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act | - | - | - | - |

Trade payable aging schedule for 31 December 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|-------------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 1.02 | - | - | - | 1.02 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 113.87 | 34.08 | 3.24 | - | 151.20 |
| Total | <u>114.90</u> | <u>34.08</u> | <u>3.24</u> | - | <u>152.22</u> |

Trade payable aging schedule for 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-------------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 0.68 | - | - | - | 0.68 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 55.21 | 2.92 | - | - | 58.13 |
| Total | <u>55.89</u> | <u>2.92</u> | - | - | <u>58.81</u> |

Trade payable aging schedule for 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | - | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | - | - | - | - | - |

Trade payable aging schedule for 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|-------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | - | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - |
| Total | - | - | - | - | - |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ Lacs, unless otherwise stated)

19 Share capital

| | As at 31 December 2022 | | As at 31 March 2022 | | As at 31 March 2022 | | As at 31 March 2021 | |
|--|------------------------|-----------------|---------------------|-----------------|---------------------|--------|---------------------|--------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Authorized share capital | | | | | | | | |
| Equity shares | | | | | | | | |
| Equity shares of ₹ 1 each | 75,00,00,000 | 7,500.00 | 3,00,60,000 | 3,006.00 | - | - | - | - |
| (As at 31st March 2021 - 30,00,00,000 shares of ₹ 10 each) | | | | | | | | |
| | 75,00,00,000 | 7,500.00 | 3,00,60,000 | 3,006.00 | - | - | - | - |
| Issued, subscribed and fully paid up | | | | | | | | |
| Equity shares | | | | | | | | |
| Equity shares of ₹ 1 each | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | - | - | - | - |
| (As at 31st March 2021 - 18,19,23,440 shares of ₹ 10 each) | | | | | | | | |
| | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | - | - | - | - |

(a) Reconciliation of number of shares

| | As at 31 December 2022 | | As at 31 March 2022 | | As at 31 March 2022 | | As at 31 March 2021 | |
|---|------------------------|-----------------|---------------------|-----------------|---------------------|--------|---------------------|--------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Equity share capital | | | | | | | | |
| Balance as at the beginning of the year | 1,81,92,344 | 1,819.23 | 30,02,172 | 300.22 | - | - | - | - |
| Share Issued/ repurchased on Splitting of Shares (refer note below) | (1,81,92,344) | - | - | - | - | - | - | - |
| Split of shares during the period | 18,19,23,440 | - | - | - | - | - | - | - |
| Add: Bonus Issue | 6,82,12,871 | 682.13 | - | - | - | - | - | - |
| Add: Increase during the year | - | - | 1,51,90,172 | 1,519.02 | - | - | - | - |
| Balance as at the end of the year | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | - | - | - | - |

(b) Rights / preferences / restrictions attached to equity shares

The Company has one class of equity shares having a par value of ₹ 1 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposal (if any) by the Board of Directors is subject to the approval of the shareholders in the existing Annual General Meeting, except in case of interim dividend (if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

| Name of shareholder | As at 31 December 2022 | | As at 31 March 2022 | | As at 31 March 2022 | | As at 31 March 2021 | |
|-----------------------------------|------------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding |
| Karyawa Tradelink | 1,09,35,117 | 4.37% | 33,60,000 | 18.47% | - | - | - | - |
| Harkle Tradelink Private Limited | 92,45,463 | 3.70% | 33,60,000 | 18.47% | - | - | - | - |
| Moneywa Tradelink Private Limited | 84,99,440 | 3.37% | 33,60,000 | 18.47% | - | - | - | - |

(d) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date.

(e) Detail of share held by promoters as at 31 December 2022

| Promoter Name | No. of shares | % of total shares | % change during the year |
|-------------------------------|---------------|-------------------|--------------------------|
| Nishant Subhash Chandra Gaudh | 5,53,909 | 2.20% | -1.05% |

(e) Detail of share held by promoters as at March 2022

| Promoter Name | No. of shares | % of total shares | % change during the year |
|-------------------------------|---------------|-------------------|--------------------------|
| Nishant Subhash Chandra Gaudh | 2,20,341 | 1.21% | 2.68% |

Detail of share held by promoters as at March 2021

| Promoter Name | No. of shares | % of total shares | % change during the year |
|---------------|---------------|-------------------|--------------------------|
| | | | |

Detail of share held by promoters as at March 2021

| Promoter Name | No. of shares | % of total shares | % change during the year |
|---------------|---------------|-------------------|--------------------------|
| | | | |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ Lacs, unless otherwise stated)

I.10 Other Equity

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Retained Earning | | | | |
| Balance at beginning of the year/period | 58.75 | 6.46 | - | - |
| Opening balance of reserve & surplus of subsidiary | - | 2.12 | - | - |
| Less: Opening balance of reserve & surplus of subsidiary | - | (2.12) | - | - |
| Less: Utilised for Bonus issue | (60.92) | - | - | - |
| Add: Profit/(Loss) for the year/period | 152.38 | 51.81 | - | - |
| Add: Pre-acquisition profit/(loss) | - | 0.48 | - | - |
| Less: Dividend Paid | (22.74) | - | - | - |
| Net surplus/(deficits) in the statement of profit and loss | 127.47 | 58.75 | - | - |
| Capital Reserve | | | | |
| Balance at beginning of the year/period | 1.65 | - | - | - |
| Add/(less): capital reserve on consolidation | - | 1.65 | - | - |
| Balance at closing of the year/period | 1.65 | 1.65 | - | - |
| Security Premium | | | | |
| Balance at beginning of the year/period | 621.21 | 312.03 | - | - |
| Less: Utilised for Bonus issue | (621.21) | - | - | - |
| Add: Addition during the year/period | - | 309.18 | - | - |
| Balance at closing of the year/period | - | 621.21 | - | - |
| Other Comprehensive Income, Net of Tax | | | | |
| Equity instruments measured at fair value through other comprehensive income | | | | |
| Balance at beginning of the year/period | - | - | - | - |
| Add: Transfer from retained earning | - | - | - | - |
| Balance at closing of the year/period | - | - | - | - |
| Re-measurements of defined employee benefit plans | | | | |
| Balance at beginning of the year/period | - | - | - | - |
| Add: Changes during the year/period | - | - | - | - |
| Balance at closing of the year/period | - | - | - | - |
| Balance at the end of year | 129.12 | 681.62 | - | - |

Nature and purpose of reserves:

Retained Earning

This reserve represents the cumulative profits of the Company less any transfer to statutory reserve. This can be utilised in accordance with the provision of Companies Act, 2013.

Other comprehensive income (OCI)

- (a) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTPL reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (b) The Company has recognised re-remeasurement of defined benefits plans through other comprehensive income.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

L11 Borrowings

(at amortised cost)

| Particulars | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | |
| Secured Loans | | | | |
| From Banks | | | | |
| - Bank/Financial Institution | - | - | - | - |
| - Vehicle Loan | 16.74 | - | - | - |
| | <u>16.74</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unsecured Loans | | | | |
| From Banks / Financial Institutions | | | | |
| - Bank/ Financial Institution | - | - | - | - |
| From others | | | | |
| - Loans from Directors and relatives | - | - | - | - |
| - Other long term Loan from corporates | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>16.74</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Current | | | | |
| Secured Loans | | | | |
| From Banks | | | | |
| - Bank/Financial Institution | - | - | - | - |
| - Vehicle Loan | 3.67 | - | - | - |
| | <u>3.67</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unsecured Loans | | | | |
| From Banks / Financial Institutions | | | | |
| - Bank/ Financial Institution | - | - | - | - |
| From others | | | | |
| - Loans from Directors and relatives | - | - | - | - |
| - Other Loan from corporates | 31.58 | - | - | - |
| | <u>31.58</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>35.25</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>51.99</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Restated Statement of Principal terms of Secured Loans and Assets charged as Security

| Name of Lender | Purpose | Rate of Interest | Repayment Schedule | Security | Outstanding amount as at 31st December 2023 | Outstanding amount as at 31 March 2023 |
|-------------------------------|--------------------------|------------------|---|---|---|--|
| Secured Loans | | | | | | |
| - Vehicle Loan | Vehicle purchase on loan | 9.20% | 60 Months (From the date of disbursement) | First charge on Vehicle Purchased (XUV 700) | 20.41 | - |
| Unsecured Loans | | | | | | |
| - Loans from Directors | | | | | | |
| - Bank/ Financial Institution | Business Loan | NA | NA | NA | 31.58 | - |
| - Other Loan from corporates | | | | | | |

L13 Other financial liabilities

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--------------------|---------------------------|------------------------|------------------------|------------------------|
| Audit fees payable | 2.23 | 4.35 | - | - |
| GST payable | - | 0.17 | - | - |
| Income tax payable | 53.02 | 20.08 | - | - |
| Other payable | 15.11 | 5.23 | - | - |
| | <u>70.36</u> | <u>29.83</u> | <u>-</u> | <u>-</u> |

L14 Other current liabilities

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------|---------------------------|------------------------|------------------------|------------------------|
| Statutory Dues Payable | 1.38 | 0.80 | - | - |
| Advance from customers | - | 259.44 | - | - |
| | <u>1.38</u> | <u>260.24</u> | <u>-</u> | <u>-</u> |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

II.1 Revenue from operations

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations | | | | |
| Sale of materials | 510.45 | 817.42 | - | - |
| Other operational income | 115.00 | | | |
| | <u>625.45</u> | <u>817.42</u> | <u>-</u> | <u>-</u> |

II.2 Other income

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Interest on loans advanced | 80.24 | 129.43 | - | - |
| b. Profit on Sale of shares | - | - | - | - |
| c. Other income | - | 0.13 | - | - |
| d. Commission Income | 25.00 | - | - | - |
| e. Interest on FDs | 0.23 | - | - | - |
| | <u>105.47</u> | <u>129.56</u> | <u>-</u> | <u>-</u> |

II.3 Purchases of Stock in trade

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Purchases | 409.89 | 848.90 | - | - |
| | <u>409.89</u> | <u>848.90</u> | <u>-</u> | <u>-</u> |

II.4 Change in inventories of stock in trade

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Inventories at the beginning of the year | 100.34 | - | - | - |
| b. Consolidation Adjustments | - | 0.36 | - | - |
| c. Less : Inventories at the end of the year | 29.77 | 100.34 | - | - |
| | <u>70.56</u> | <u>(99.98)</u> | <u>-</u> | <u>-</u> |

II.5 Employee benefits expense

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Salary, wages and bonus | 7.46 | 17.27 | - | - |
| b. Staff welfare expense | - | - | - | - |
| c. Contribution to provident and other funds | - | - | - | - |
| | <u>7.46</u> | <u>17.27</u> | <u>-</u> | <u>-</u> |



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

II.6 Finance Cost

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Interest paid on loan | - | - | - | - |
| b. Interest expense on lease liabilities | - | - | - | - |
| c. Interest expense on car loan | 0.71 | - | - | - |
| d. Other Interest | - | 0.02 | - | - |
| | <u>0.71</u> | <u>0.02</u> | <u>-</u> | <u>-</u> |

II.7 Depreciation and amortisation expense

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Depreciation on plant, property and equipment | 5.06 | 3.63 | - | - |
| | <u>5.06</u> | <u>3.63</u> | <u>-</u> | <u>-</u> |

II.8 Other expenses

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---------------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Advertisement expenses | 3.06 | 0.36 | - | - |
| b. Bank charges | - | 0.04 | - | - |
| c. Insurance expenses | - | - | - | - |
| d. Software Expenses | 0.11 | - | - | - |
| e. Director sitting fee | - | 0.10 | - | - |
| f. Electricity expenses | 0.15 | 0.09 | - | - |
| g. Fee & subscription | 0.13 | - | - | - |
| h. Filing fee | 0.34 | 6.31 | - | - |
| i. Office expenses | 0.19 | 1.24 | - | - |
| j. Interest and penalties | 0.24 | 0.06 | - | - |
| k. Listing fee | 18.09 | 49.91 | - | - |
| l. Miscellaneous expenses | 0.00 | 4.01 | - | - |
| m. Payment to statutory auditors | 1.88 | 4.00 | - | - |
| n. Printing and stationery | - | 0.07 | - | - |
| o. Professional charges | 3.55 | 7.07 | - | - |
| q. Telephone expenses | 0.15 | 0.15 | - | - |
| r. Travelling and conveyance expenses | 0.40 | 21.57 | - | - |
| s. Bad debts | - | 0.08 | - | - |
| t. Commission | 0.03 | 6.64 | - | - |
| u. Interest and penalties | - | - | - | - |
| v. Rent | 1.96 | 3.46 | - | - |
| w. Power and fuel | 0.07 | - | - | - |
| x. Dividend Service Charges | 0.49 | - | - | - |
| | <u>30.88</u> | <u>105.16</u> | <u>-</u> | <u>-</u> |

Note:

| | | | | |
|-------------------------------|-------------|-------------|----------|----------|
| A Payments to auditors | | | | |
| (i) Audit Fees | 1.88 | 3.50 | - | - |
| (ii) Other Services | - | 0.50 | - | - |
| (iii) Out of pocket expenses | - | - | - | - |
| | <u>1.88</u> | <u>4.00</u> | <u>-</u> | <u>-</u> |

II.9 Earning per share

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Net profit after tax available for equity shareholders (A) | 152.38 | 51.81 | - | - |
| Weighted average number of equity shares (B) | 25,01,36,311 | 16,82,47,385 | - | - |
| Basic EPS (A/B) (in ₹) | 0.06 | 0.03 | - | - |
| Diluted EPS (A/B) (in ₹) | 0.06 | 0.03 | - | - |
| Nominal value per equity share (in ₹) | 1.00 | 1.00 | - | - |



CONSOLIDATED STATEMENT OF ACCOUNTING & OTHER RATIOS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | As at | As at | As at | As at |
|--|---------------|---------------|---------------|---------------|
| | 31 Dec 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Net Profit as Restated | 152.38 | 51.81 | - | - |
| Add: Depreciation | 5.06 | 3.63 | - | - |
| Add: Interest on Loan | 0.71 | 0.02 | - | - |
| Add: Tax Expenses | 54.00 | 20.17 | - | - |
| EBITDA | 212.15 | 75.63 | - | - |
| EBITDA Margin (%) | 29.02% | 7.99% | - | - |
| Net Worth as Restated | 2,630.49 | 2,500.84 | - | - |
| Return on Net worth (%) as Restated | 5.79% | 2.07% | - | - |
| Equity Share at the end of year (in Nos.) | 25,01,36,311 | 1,81,92,344 | - | - |
| Weighted No. of Equity Shares | 25,01,36,311 | 16,82,47,385 | - | - |
| Basic & Diluted Earnings per Equity Share as Restated | 0.06 | 0.03 | - | - |
| Net Asset Value per Equity share as Restated (Pre Split) | 10.52 | 13.75 | - | - |
| Net Asset Value per Equity share as Restated (Post Split/Bonus) | 1.05 | 1.49 | - | - |
| Nominal Value per Equity share (Rs.) | 1 | 1 | - | - |
| Current Assets (A) | 2,868.10 | 2,834.90 | - | - |
| Current Liabilities (B) | 259.21 | 348.88 | - | - |
| Current Ratio (A/B) | 11.06 | 8.13 | - | - |
| Debt | 51.99 | - | - | - |
| Equity | 2,630.48 | 2,500.84 | - | - |
| Debt Equity Ratio (In Times) | 0.02 | - | - | - |
| PAT | 152.38 | 51.81 | - | - |
| Average Equity of Shareholder | 2,565.66 | 1,250.42 | - | - |
| Return On Equity (%) | 5.94% | 4.14% | - | - |
| Opening Inventory | 100.34 | - | - | - |
| Closing Inventory | 29.77 | 100.34 | - | - |
| Average Inventory | 65.05 | 50.17 | - | - |
| Revenue From Operation | 625.45 | 817.42 | - | - |
| Inventory Turnover Ratio (In Times) | 9.61 | 16.29 | - | - |
| Purchase | 409.89 | 848.90 | - | - |
| Opening Trade Payable | 58.81 | - | - | - |
| Closing Trade Payable | 152.22 | 58.81 | - | - |
| Average Trade Payable | 105.51 | 29.41 | - | - |
| Trade Payable Ratio (In Times) | 3.88 | 28.87 | - | - |
| Revenue From Operation | 625.45 | 817.42 | - | - |
| Capital Employed | 2,630.49 | 2,500.84 | - | - |
| Net Capital Turnover Ratio (In Times) | 0.24 | 0.33 | - | - |
| Revenue From Operation | 625.45 | 817.42 | - | - |
| PAT | 152.38 | 51.81 | - | - |
| N P Ration (In %) | 24.36% | 6.34% | - | - |
| EBIT | 207.08 | 71.98 | - | - |
| Opening Capital Employed | 2,500.84 | - | - | - |
| Closing Capital Employed | 2,630.49 | 2,500.84 | - | - |
| Average Capital Employed | 2,565.66 | 1,250.42 | - | - |
| Restated PAT as per P&L Account | 152.38 | 51.81 | - | - |
| Return on Capital Employed (In %) | 5.94% | 4.14% | - | - |
| Net PAT | 152.38 | 51.81 | - | - |
| Opening Assets | 2,850 | - | - | - |
| Closing Assets | 2,906 | 2,850 | - | - |
| Average Assets | 2,878 | 1,425 | - | - |
| Return on Investments (In %) | 5.29% | 3.64% | - | - |

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth × 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.



IFL Enterprises Limited
CIN L74110DL2009PLC186958

ANNEXURE –VII

CONSOLIDATED STATEMENT OF CAPITALIZATION, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Pre-Issue | Post Issue |
|---|------------------|------------|
| | 31 December 2023 | |
| Debt : | | |
| Short Term Debt | 35.25 | - |
| Long Term Debt | 16.74 | - |
| Total Debt | 51.99 | - |
| Shareholders Funds | | |
| Equity Share Capital | 2,501.36 | - |
| Other Equity | 129.12 | - |
| Total Shareholders' Funds | 2,630.49 | - |
| <i>Long Term Debt / Shareholders' Funds</i> | <i>0.01</i> | - |
| <i>Total Debt / Shareholders' Fund</i> | <i>0.02</i> | - |

* To be updated upon finalisation of the issue price.



CONSOLIDATED STATEMENT OF TAX SHELTER, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Income taxes relating to continuing operations Reconciliation of effective tax rate | For the Period | For the year ended | For the year ended | For the year |
|--|----------------|--------------------|--------------------|---------------|
| | ended | ended | ended | ended |
| | 31 Dec 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Profit before tax / (Loss) | 206.38 | 71.97 | - | - |
| Less: Income considered separately | - | - | - | - |
| Less: Unrealised Income | - | - | - | - |
| Add: Disallowances | 4.35 | 26.52 | - | - |
| Less: Allowances | 4.12 | 1.62 | - | - |
| Taxable Profit / (Loss) | 206.60 | 96.86 | - | - |
| Less: B/f losses | - | 26.17 | - | - |
| Taxable Profit / (Loss) after adjustment of b/f losses | 206.60 | 70.69 | - | - |
| Book Profit under MAT | - | - | - | - |
| Short term Capital Gain | - | - | - | - |
| At statutory income tax | 54.10 | 20.08 | - | - |



CONSOLIDATED STATEMENT OF RELATED PARTIES & TRANSACTIONS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

The Company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per Ind AS 24 - 'Related Party Disclosures' issued by Institute of Chartered Accountants of India.

| Name of Group Companies | Relationship |
|--|-------------------------|
| Yamunashtakam Tradeventures Private Limited | Subsidiary company |
| Name of the key managerial personnel | Relationship |
| Kiritkumar Sindhavhai Parmar (Appointed on 12.03.2024) | Managing Director & CFO |
| Rahul Pitaliya (Appointed on 15.03.2024) | Company Secretary |
| Kamlesh Kanaiyalal Joshi (Resigned w.e.f. 11.03.2024) | Managing Director & CFO |
| Sunder (Resigned w.e.f. 06.03.2024) | Company Secretary |
| Mr Dolar Kirit Shah (Resigned w.e.f. 17.08.2023) | Director |
| Mr Vinaben Kanaiyalal Joshi (Appointed on 13.05.2022) | Director |
| Mr. Samad Ahmed Khan (Appointed on 05.03.2022) | Director |
| Ms Falguni Mehal Raval (Appointed on 07.07.2022) | Director |
| Ms Shweta Dusad (Resigned w.e.f. 30.09.2023) | Company Secretary |
| Mr. Ashok Kumar Bansal (Resigned w.e.f. 11-03-22) | Whole-Time Director |
| Mr. Gopal Bansal (Resigned as Director w.e.f. 20-9-21) | Director |
| Mrs. Kusum Bansal (Appointed W.e.f. 29.09.2021 and resigned w.e.f. 05.03.2022) | Director |
| Mr. Manoj Kumar (Resigned w.e.f. 05.03.2022) | Director |
| Ms Himanshi Kashyap (Resigned w.e.f. 05.03.2022) | Director |
| Ms. Dimple Mangal (Resigned w.e.f. 20.10.2020) | CFO |
| Mrs. Krishna Agarwal (Resigned w.e.f. 05.03.2022) | CFO |
| Mr. Sandeep Kumar (Resigned w.e.f. 24.03.2022) | Company Secretary |

Transactions with Related Parties:

| Particulars | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Director Sitting Fees Paid | | | | |
| Mr Samad Ahmed Khan | 0.24 | 0.10 | - | - |
| Mr. Gopal Bansal | - | - | 0.10 | 0.11 |
| Mrs. Kusum Bansal | - | - | 0.03 | - |
| Mr. Manoj Kumar | - | - | 0.12 | - |
| Ms. Himanshi Kashyap | - | - | 0.12 | - |
| Mr Vina K Joshi | 0.20 | - | - | - |
| Mr. Kamlesh K Joshi | 0.20 | - | - | - |
| Remuneration Paid | | | | |
| Mr Dolar Kirit Shah | 1.33 | 2.50 | - | - |
| Mr Vinaben Kanaiyalal Joshi | - | 0.17 | - | - |
| Mr. Sandeep Kumar | - | 0.78 | 1.49 | 1.80 |
| Mrs. Krishna Agarwal | - | - | 3.85 | 1.87 |
| Ms. Dimple Mangal | - | - | 4.40 | 4.55 |
| Ms Falguni Mehal Raval | - | 1.80 | - | - |

Balance outstanding with related parties at year end

| Particulars | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------|---------------------------|------------------------|------------------------|------------------------|
| Balance Payable/(Recoverable) | | | | |
| Mr Dolar Kirit Shah | - | 0.97 | - | - |
| Mr Samad Ahmed Khan | - | (0.24) | - | - |
| Mr. Sandeep Kumar | - | - | - | 0.15 |
| Mrs. Krishna Agarwal | - | - | - | 0.35 |
| Ms. Dimple Mangal | - | - | - | 0.40 |



IFL Enterprises Limited
CIN L74110DL2009PLC186958
(All amounts in ₹ lacs, unless otherwise stated)

ANNEXURE –X

CONSOLIDATED STATEMENT OF DIVIDENDS, AS RESTATED

The Company has paid dividend of Rs. 22.74 lakhs during the period ended December 2023.

ANNEXURE –XI

CONSOLIDATED CHANGES IN THE SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED

There have been no changes in the accounting policies of the company for the period covered under audit.

ANNEXURE –XII

CONSOLIDATED CONTINGENT LIABILITIES, AS RESTATED:

| Particulars | As at | As at | As at | As at |
|--|------------------|---------------|---------------|---------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| a. Estimated amount of contracts remaining to be executed and not provided for | NA | NA | NA | NA |
| b. Claims against the Company not acknowledged as debt | NA | NA | NA | NA |
| c. Bank Guarantees | NA | NA | NA | NA |
| d. Outstanding Tax Demand with Respect to any Revenue Authorities | 0.02 | 0.02 | 0.02 | 0.02 |





F.R.N. 022743N

KAPIJAIN & ASSOCIATES

CHARTERED ACCOUNTANTS

Head Office: 504, B-Wing, Statesman House, 148, Barakhamba Road, New Delhi - 110001 | Phone : +91-11-43708987
Mobile : +91 9971 921466 | Email : ca.kapish@gmail.com | Website : www.kapishjainassociates.com; www.cakja.com

Independent Auditor's Examination Report on the Restated Standalone Statements of Assets and Liabilities as at December 31, 2023, March 31, 2023, March 31, 2022, and March 31, 2021, Restated Standalone Statement of Profits and Loss (including other comprehensive income), Restated Standalone Statement of Cash Flows and changes in equity for the period/year ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, of IFL Enterprises Limited (collectively, the "Restated Standalone Financial Statements")

To,

The Board of Directors,
IFL Enterprises Limited
A-607, Prahladnagar Trade Center Radio Mirchi Road,
Vejalpur, Ahmedabad, Gujarat, India, 380015

Dear Sirs:

1. We have examined the attached Restated Standalone Financial Statements of IFL Enterprise Limited (the "company") annexed to this report and prepared by the Company for the purpose of inclusion in the Letter of Offer in connection with its Right Issue. The Restated Standalone Financial Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:
 - a) Sub-Section (1) of section 62 of Part 1 of Chapter 3 of the Companies Act, 2013 (the "Act").
 - b) Relevant provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
 - c) The Guidance Note on Reports in Company Prospectuses (as amended) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note")

Management Responsibility for the Restated Standalone Financial Statements

2. The preparation of the Restated Standalone Financial Statements, which are to be included in the Offer documents is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Statements. The Management is also responsible for identifying and ensuring that the Company complies with the ICDR Regulations.

Auditor's Responsibilities

3. We have examined such Restated Standalone Financial Statements taking into consideration:
 - a. The terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 16, 2023, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company;



- a. The terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 16, 2023, requesting us to carry out the assignment, in connection with the proposed Right Issue of the Company;
- b. The Guidance Note; The Guidance Note also requires that we comply with the ethical requirement of the Code of Ethics issued by the ICAI.
- c. Concepts of test checks and materiality to obtain reasonable assurance based on the verification of evidence supporting the Restated Standalone Financial Statements; and
- d. The requirement of Section 62 of the Act and the ICDR Regulations;

Our work was performed solely to assist you in meeting your responsibilities in relation to your Compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the proposed Right Issue.

Restated Standalone Financial Statements as per Audited Financial Statements

4. These Restated Standalone Financial Statements have been compiled by the management of the Company from:

Audited financial statements of the company as at and for the year/period ended December 31, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, which were prepared in accordance with Ind AS as prescribed under section 133 of the Act, read with relevant rules thereunder and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on March 16, 2024, May 09, 2023, May 28, 2022 and June 30, 2021 respectively; and

5. The audit for the year/period ended on 31 December 2023 and 31 March 2023 were conducted by us and the audit for the financial year 31 March 2022 and 31 March 2021 was conducted by M/s V. N. Purohit & Co., Chartered Accountants. There are no audit qualifications in the audit reports issued by the statutory and tax auditors for the financial year ended on 31 March 2023, 31 March 2022 and 31 March 2021 which would require adjustments in the Restated Standalone Financial Statements of the Company. The financial report included for these years is based solely on the report submitted by the Company.

Based on the above and according to the information and explanations given to us, we report that the Restated Standalone Financial Statements of the company, as attached to this report read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 2 have been prepared in accordance with the Act, ICDR Regulations, Guidance Note, and these Restated Standalone Financial Statements:

- i. have been made after making adjustments for the changes in accounting policies. As the accounting policies were materially consistent with the policies adopted as at and for the period/year ended on 31 December 2023, 31 March 2023, 31 March 2022 and 31 March 2021, no adjustments have been made to the audited financial statements of the respective years presented on account of changed in accounting policies;



- ii. have been made after incorporating adjustments and regrouping for the material amounts in the respective financial period/year to which they relate;
 - iii. does not have any qualifications in the auditor's reports on the audited financial statements of the Company as at 31 December 2023, 31 March 2023, 31 March 2022 and 31 March 2021 which require any adjustments to the Restated Standalone Financial Statements.
6. The Restated Standalone Financial Statements do not reflect the effects of events that occurred subsequent to the audited financial mentioned in paragraph 4 above.
 7. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
 8. We, M/s. Kapish Jain & Associates, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("ICAI") and hold a valid peer review certificate issued by the "Peer Review Board" of the ICAI.
 9. We have no responsibility to update our report for events and circumstances occurring after date of the report.
 10. Our report is intended solely for use of the Board of Directors for inclusion in the Offer documents to be filled with recognized Stock Exchange and any other regulatory authority in connection with the proposed Right Issue. Our report should not be used, referred to, or distributed for any other purpose.

For Kapish Jain & Associates
Chartered Accountants
Firm Reg. No. 022743N



Kapish Jain
Partner
Membership No.: 514162
Date: 16 March 2024
Place: New Delhi
UDIN: 24514162BKBHUN2423



STANDALONE STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Note No. | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|----------|---------------------------|------------------------|------------------------|------------------------|
| Assets | | | | | |
| 1 Non-current assets | | | | | |
| a. Property, Plant & Equipments | L1 | 28.83 | 6.37 | 7.27 | 10.53 |
| b. Financial assets | | | | | |
| i. Investments | L2 | 603.00 | 603.00 | - | - |
| ii. Other financial assets | | - | - | - | - |
| c. Deferred tax assets (Net) | L3 | 1.81 | 1.75 | 1.93 | 1.91 |
| d. Income tax assets | | - | - | - | - |
| e. Other non-current assets | L4 | 5.42 | - | 64.20 | 64.20 |
| Total non-current assets | | 639.06 | 611.12 | 73.40 | 76.65 |
| 2 Current assets | | | | | |
| a. Inventories | L5 | 29.77 | 100.34 | - | 183.70 |
| b. Financial assets | | | | | |
| i. Investments | L6 | - | - | - | 74.25 |
| ii. Trade receivables | L7 | 505.84 | 393.51 | 14.40 | 174.70 |
| iii. Cash & cash equivalents | L8 | 61.39 | 13.49 | 143.31 | 4.58 |
| iv. Loans | L9 | 1,540.70 | 1,638.61 | 392.08 | 124.04 |
| c. Current tax assets (Net) | L10 | - | - | 0.02 | 0.01 |
| d. Other current assets | L4 | 88.86 | 3.46 | - | 5.47 |
| Total current assets | | 2,226.56 | 2,149.40 | 549.81 | 566.74 |
| Total assets | | 2,865.62 | 2,760.53 | 623.21 | 643.39 |
| Equity and liabilities | | | | | |
| 1 Equity | | | | | |
| a. Equity share capital | L11 | 2,501.36 | 1,819.23 | 300.22 | 300.22 |
| b. Other equity | L12 | 127.47 | 678.52 | 318.50 | 339.80 |
| Total Equity | | 2,628.83 | 2,497.75 | 618.72 | 640.02 |
| 2 Liabilities | | | | | |
| Non-current liabilities | | | | | |
| a. Financial liabilities | | | | | |
| i. Borrowings | L13 | 16.74 | - | - | - |
| b. Provisions | | - | - | - | - |
| c. Other non-current liabilities | | - | - | - | - |
| Total non-current liabilities | | 16.74 | - | - | - |
| Current liabilities | | | | | |
| a. Financial liabilities | | | | | |
| i. Borrowings | L13 | 26.51 | - | - | - |
| ii. Trade payables | L14 | | | | |
| a.) total outstanding dues of micro enterprises and small enterprises | | 1.02 | 0.68 | - | - |
| b.) total outstanding dues of Creditors other than micro enterprise sand small enterprises | | 122.48 | 33.10 | 0.10 | 0.96 |
| iii. Other financial liability | L15 | 68.75 | 25.55 | 4.14 | 2.36 |
| b. Other current liabilities | L16 | 1.28 | 203.45 | 0.25 | 0.06 |
| Total current liabilities | | 220.05 | 262.78 | 4.49 | 3.37 |
| Total equity and liabilities | | 2,865.62 | 2,760.53 | 623.21 | 643.39 |

See accompanying notes to the standalone financial statements, as restated.

In terms of our report attached
For Kaphish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kaphish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar

Kiritkumar Sendhabhai Parmar
Managing Director and CFO
DIN: 10414409
Place: Ahmedabad

Rahul Pitliya
Company Secretary
M. No.: A69746
Place: Ahmedabad

Vinaben Kanaiyalal
Director
DIN: 07900014
Place: Ahmedabad

STANDALONE STATEMENT OF PROFIT & LOSS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Note No. | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|----------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| I Revenue from operations | II.1 | 625.45 | 554.56 | 145.63 | 136.02 |
| II Other income | II.2 | 105.47 | 91.66 | 34.90 | 11.42 |
| III Total income | | <u>730.92</u> | <u>646.22</u> | <u>180.53</u> | <u>147.44</u> |
| IV Expenses | | | | | |
| Purchases of stock in trade | II.3 | 409.89 | 590.62 | - | 217.20 |
| Changes in inventories of stock in trade | II.4 | 70.56 | (100.34) | 183.70 | (84.71) |
| Employee benefits expense | II.5 | 7.46 | 11.46 | 9.82 | 12.12 |
| Finance cost | II.6 | 0.71 | 0.02 | 0.13 | 0.19 |
| Depreciation and amortisation expense | II.7 | 4.35 | 2.23 | 3.26 | 4.00 |
| Other expenses | II.8 | 30.10 | 73.73 | 4.94 | 10.04 |
| Total expenses (IV) | | <u>523.07</u> | <u>577.72</u> | <u>201.85</u> | <u>158.84</u> |
| V Profit/(Loss) Before Tax (III-IV) | | 207.85 | 68.50 | (21.32) | (11.40) |
| X Tax expense | | | | | |
| Current tax | | 54.10 | 17.48 | - | - |
| Deferred tax credit | | (0.06) | 0.18 | (0.02) | 0.89 |
| | | <u>54.04</u> | <u>17.66</u> | <u>(0.02)</u> | <u>0.89</u> |
| XI Profit/(Loss) (IX-X) | | 153.81 | 50.84 | (21.30) | (12.28) |
| XII Other comprehensive income | | | | | |
| Items that will not be reclassified to profit and loss | | - | - | - | - |
| Income Tax relating to items that will not be reclassified to profit and loss | | - | - | - | - |
| XIII Total comprehensive income (XI+XII) | | <u>153.81</u> | <u>50.84</u> | <u>(21.30)</u> | <u>(12.28)</u> |
| XIV Earning per equity share | II.9 | | | | |
| Equity shares of face value Rs. 1 each | | | | | |
| Basic | | 0.06 | 0.03 | (0.05) | (0.03) |
| Diluted | | 0.06 | 0.03 | (0.05) | (0.03) |

See accompanying notes to the standalone financial statements, as restated.

In terms of our report attached
For Kapiish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapiish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar

Kiritkumar Sombhabhai Parmar
Managing Director and CFO
DIN: 10414409
Place: Ahmedabad

Rahul Pitaliya
Company Secretary
M. No.: A69746
Place: Ahmedabad

Vinod K. Joshi
Vinaben Kanaiyalal
Director
DIN: 07900014
Place: Ahmedabad

STANDALONE STATEMENT OF CASH FLOW, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|--|-------------------------------------|-------------------------------------|-------------------------------------|
| A. Cash flow from operating activities | | | | |
| Profit/(loss) before tax | 207.85 | 68.50 | (21.32) | (11.40) |
| Adjustments for: | | | | |
| Depreciation of plant, property and equipment | 4.35 | 2.23 | 3.26 | 4.00 |
| Interest Income | (80.24) | (56.47) | (6.11) | (11.20) |
| Dividend Income | - | - | (0.14) | (0.14) |
| Interest Expenses | 0.71 | 0.02 | 0.13 | 0.19 |
| De-recognition of lease liability | - | - | - | (0.09) |
| Operating profit before working capital changes | 132.68 | 14.27 | (24.17) | (18.63) |
| Adjustments for net (increase)/decrease in operating assets | | | | |
| (Increase)/decrease in Investment | - | - | 74.25 | - |
| (Increase)/decrease in trade receivables | (112.33) | (379.11) | 160.30 | (51.73) |
| (Increase)/decrease in other current assets | (85.40) | (3.46) | 5.47 | 133.07 |
| (Increase)/decrease in non current assets | 70.56 | 64.20 | - | - |
| (Increase)/decrease in inventories | 70.56 | (100.34) | 183.70 | (77.96) |
| Increase/(decrease) in trade payables | 89.73 | 33.68 | (0.86) | (4.46) |
| Increase/(decrease) in non current financial liabilities | 16.74 | - | - | - |
| Increase/(decrease) in other financial liabilities | 8.57 | 3.93 | 1.78 | (1.13) |
| Increase/(decrease) in other current liabilities | (202.17) | 203.19 | 0.20 | (0.00) |
| Cash generated from operating activities before tax | (87.03) | (163.65) | 400.66 | (20.85) |
| Income taxes paid (Net) | (19.47) | 0.02 | (0.01) | (0.05) |
| Net cash generated from operating activities | (106.49) | (163.62) | 400.65 | (20.89) |
| B. Cash Flow from Investing Activities | | | | |
| Dividend | - | - | 0.14 | 0.14 |
| Net Proceeds from sale of Investments | - | - | - | 0.50 |
| Investments made | - | (603.00) | - | - |
| Purchase of fixed assets | (26.82) | (1.32) | - | - |
| Loans advanced | 97.91 | (1,246.53) | (268.04) | 7.03 |
| Interest on loans advanced | 80.24 | 56.47 | 6.11 | 11.20 |
| Net cash generated from/(used in) investing activities | 151.33 | (1,794.38) | (261.79) | 18.86 |
| C. Cash flows from financing activities | | | | |
| Issue of share capital (including security premium) | - | 1,828.20 | - | - |
| Proceeds from short term borrowings | 26.51 | - | - | - |
| Dividend Paid | (22.74) | - | - | - |
| Interest Expenses | (0.71) | (0.02) | (0.13) | (0.19) |
| Net cash generated from/(used in) financing activities | 3.06 | 1,828.18 | (0.13) | (0.19) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | 47.90 | (129.82) | 138.72 | (2.22) |
| Cash and cash equivalents at the beginning of year | 13.49 | 143.31 | 4.58 | 6.80 |
| Cash and cash equivalents at the end of year | 61.39 | 13.49 | 143.31 | 4.58 |
| Cash & Cash Equivalents Includes: | | | | |
| Cash in Hand | 14.36 | 11.43 | 3.18 | 2.77 |
| Balance with Bank | 47.03 | 2.06 | 140.13 | 1.82 |
| | 61.39 | 13.49 | 143.31 | 4.58 |

1) The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 on statements of cash flow.

2) Figures in brackets indicate cash outflow.

See accompanying notes to the standalone financial statements, as restated.

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar

Kiritkumar Sindhbhaji Parmar
Managing Director and CFO
DIN: 10414409
Place: Ahmedabad

Rahul Pitaiya

Rahul Pitaiya
Company Secretary
M. No.: A69746
Place: Ahmedabad

Vinay K. Joshi

Vinay Kanalyalal
Director
DIN: 07900014
Place: Ahmedabad

STANDALONE STATEMENT OF CHANGES IN EQUITY, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

A. Equity Share Capital

| Particulars | No. of shares | Amount |
|---|---------------|----------|
| Equity shares of Rs. 1 each (As at 31st March 2023 - 18,192,344 shares of Rs.10 each) | | |
| Balance as at 1 April 2021 | 30,02,172 | 300.22 |
| Issue of equity share capital | - | - |
| Balance as at 31 March 2022 | 30,02,172 | 300.22 |
| Issue of equity share capital | 1,51,90,172 | 1,519.02 |
| Balance as at 31 March 2023 | 1,81,92,344 | 1,819.23 |
| Share Extinguished on Splitting of Shares | (1,81,92,344) | - |
| Split of Share during the period | 18,19,23,440 | - |
| Add: Bonus Issue | 6,82,12,871 | 682.13 |
| Add: Increase during the year | - | - |
| Balance as at 31 December 2023 | 25,01,36,311 | 2,501.36 |

B. Other Equity

| Particulars | Retained Earning | Security Premium | Total |
|---------------------------------|------------------|------------------|----------|
| Balance as at 1 April 2020 | 40.06 | 312.03 | 352.09 |
| Profit for the year | (12.28) | - | (12.28) |
| Add: Addition during the year | - | - | - |
| Balance as at 31 March 2021 | 27.77 | 312.03 | 339.80 |
| Profit for the year | (21.30) | - | (21.30) |
| Add: Addition during the year | - | - | - |
| Balance as at 31 March 2022 | 6.47 | 312.03 | 318.50 |
| Profit / (loss) for the year | 50.84 | - | 50.84 |
| Add: Addition during the year | - | 309.18 | 309.18 |
| Balance as at 31 March 2023 | 57.31 | 621.21 | 678.52 |
| Add: Profit/(Loss) for the year | 153.81 | - | 153.81 |
| Add: Addition during the year | - | - | - |
| Less: Utilised for Bonus issue | (60.92) | (621.21) | (682.13) |
| Less: Dividend Paid | (22.74) | - | (22.74) |
| Balance as at 31 December 2023 | 127.47 | - | 127.47 |

See accompanying notes to the standalone financial statements, as restated.

In terms of our report attached
For Kapish Jain & Associates,
Chartered Accountants
Firm's Registration No. 022743N

CA Kapish Jain
Partner
Membership No. 514162
Place: New Delhi
Date: 16 March 2024



For and on behalf of the Board of Directors
IFL Enterprises Limited

Kirit Parmar
Kiritkumar Sendhabhai Parmar
Managing Director and CFO
DIN: 10414409
Place : Ahmedabad

Rahul Pitaliya
Company Secretary
M. No.: A69746
Place : Ahmedabad

Vinaben Kanaiyalal
Director
DIN: 07900014
Place : Ahmedabad

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

1 Corporate Information

IFL Enterprises Limited (CIN L74110DL2009PLC186958) was incorporated on January 23rd, 2009 under the Companies Act, 1956 with the Registrar of Companies Delhi. The Company is involved in the business of trading of all type of paper for writing, wrapping, kraft and semi kraft cloth paper, wall paper and related products, also act as commission agent stockist on behalf of others as well as shares and securities within permissible limits prescribed by the regulators such as RBI or SEBI. The company is listed on Bombay Stock exchange (BSE) [Script code: 540377].

2 Significant Accounting Policies :

2.1 Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements correspond to the classification provisions contained in Ind AS 1, "Presentation of Financial Statements". For clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable.

Accounting policies have been applied consistently to all periods presented in these financial statements.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

2.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

2.4 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of valuation of deferred tax assets and provisions and contingent liabilities.

Valuation of deferred tax assets

In view of uncertainty of future taxable profits, the Company has not recognized deferred tax asset (net of deferred tax liabilities) at the year end.

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

- a) Income is recognized on accrual basis except income related to non-performing assets, which is accounted on cash basis in accordance with prudential norms of Reserve Bank of India.
- b) The Company has adopted Implicit Rate of Return (IRR) method of accounting in respect of finance charges income for hire purchase/loan transactions. As per this method, the IRR involved in each hire purchase/loan transaction is recognized and finance charges calculated by applying the same on outstanding principal financed thereby establishing equitable distribution of income over the period of the agreement.
- c) Interest on overdue installments is accounted for on receipt basis.
- d) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- e) Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

2.6 Foreign currencies

The functional currency of the Company is Indian rupee (Rs.).

Income and expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

2.7 Employee benefits

The Company provides post-employment benefits through various defined contribution and defined benefit plans.

2.7.1 Defined contribution plans

A defined contribution plan is a plan under which the Company pays fixed contributions into an independent fund administered by the government. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

2.7.2 Defined benefit plans

The defined benefit plans sponsored by the Company define the amount of the benefit that an employee will received on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Company.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and post service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Short-term employee benefits

Expenses in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

2.8 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.8.1 Current tax

2.8.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

2.8.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.09 Inventories

Repossessed assets are valued at the end at lower of book value or net realizable value as certified by the management of the Company.

2.10 Property plant and equipment

The Company has elected to continue with the carrying value of all of its plant and equipment (including freehold land) as at the transition date, viz., 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

Property plant and equipment and capital work in progress are stated at cost of acquisition or construction net of accumulated depreciation and impairment loss (if any).

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Profit and Loss during the financial period in which they are incurred.

Depreciation is computed on Written down value ('WDV') method based on estimated useful lives as determined by internal assessment of the assets in terms of Schedule of II to the Companies Act, 2013.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

No further charge is provided in respect of assets that are fully written down but are still in use.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

2.11 Intangible assets

Development of property (website) and software costs are included in the balance sheet as intangible assets, when they are clearly linked to long term economic benefits for the Company. These are measured initially at purchase cost and then amortised on a straight-line basis over their estimated useful lives.

2.12 Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

2.13 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.14 Financial Instruments

A. Initial recognition

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

B. Subsequent measurement

I. Non-derivative financial instruments

a. Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

Investment in equity instruments (other than subsidiaries / associates / joint ventures) - All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

C. Derecognition of financial instruments

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

2.15 Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.16 Impairment of financial assets (other than at fair value)

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

3 Other notes to restated financial statements

3.1 Non-adjustment Items:

No Audit qualifications for the respective periods which require any corrective adjustment in these Restated Financial Statements of the Company have been pointed out during the restated period.

3.2 Material Regroupings:

Appropriate adjustments have been made in the restated summary statements of Assets and Liabilities, Profit & Loss and Cash flows wherever required by reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line with the requirements of the SEBI Regulations.

3.3 Statement of Restatement Adjustments to Audited financial statements:

Reconciliation between audited total comprehensive income and restated total comprehensive income

| Particulars | For the period/year ended | | | |
|--|---------------------------|---------------|----------------|----------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Audited total comprehensive Income | 153.81 | 50.84 | (21.30) | (12.28) |
| Restated adjustments | - | - | - | - |
| Restated total comprehensive Income | 153.81 | 50.84 | (21.30) | (12.28) |

Reconciliation between audited shareholder's funds and restated shareholder's funds

| Particulars | For the period/year ended | | | |
|---|---------------------------|-----------------|---------------|---------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Audited shareholder's Funds | 2,628.83 | 2,497.75 | 618.72 | 640.02 |
| Restated adjustments | - | - | - | - |
| Restated Equity | 2,628.83 | 2,497.75 | 618.72 | 640.02 |
| Inventory as per Books of Accounts | 29.77 | 100.34 | - | 257.95 |
| Regrouped into current investment | - | - | - | (74.25) |
| Inventory as per Restated | 29.77 | 100.34 | - | 183.70 |
| Current Investment as per Books of Accounts | - | - | - | - |
| Regrouped from inventory | - | - | - | 74.25 |
| Inventory as per Restated | - | - | - | 74.25 |

3.4 Details of dues to Micro and Small Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from 2nd October 2006, certain disclosures are required to be made relating to Micro and Small Enterprises.

The Management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of amounts payable to such enterprises have been made based on the information available with the Company. The information has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on such information provided by the Management.

3.5 As required under SEBI (ICDR) Regulations, the Statement of Assets and Liabilities has been prepared after deducting the balance outstanding on revaluation reserve account from both fixed assets and reserves and the net worth arrived at after such deductions.



3.6 Expenditure/Earnings in Foreign currency (on accrual basis).

| Particulars | For the period/year ended | | | |
|---------------------------------|---------------------------|---------------|---------------|---------------|
| | 31 December 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Expenditure in Foreign Currency | - | - | - | - |
| Earning in Foreign Currency | - | - | - | - |

3.7 Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits

Balances of Trade Receivables, Trade Payables, Borrowings, Loans & Advances and Deposits are subject to confirmation and reconciliation.

3.8 Re-grouping/re-classification of amounts

The figures have been re-grouped and classified wherever they were necessary and have been rounded off to the nearest rupee.

3.10 Examination of Books of Accounts & Contingent Liability

The list of books of accounts maintained is based on information provided by the assessee and is not exhaustive. The information in audit report is based on our examination of books of accounts presented to us at the time of audit and as per the information and explanation provided by the assessed at the time of audit.

3.11 Director Personal Expenses

There are no director personal expenses debited to the profit and loss account. However, personal expenditure if included in expenses like telephone, vehicle expenses etc. are not identifiable or separable.

3.12 Deferred Tax Asset/Liability: [IND AS-12]

The Company has created Deferred Tax Asset/Liability as required by Indian Accounting Standard (Ind AS)-12.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.1 Property, Plant & Equipments

| As at 31 December 2023 | | | | | |
|------------------------|------------------------|--------------|----------------------|-----------|----------------------|
| Cost | As at 1 April 2023 | Additions | Adjustments | Deletions | As at 31 Dec 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 4.25 | 0.15 | - | - | 4.40 |
| Vehicle | 0.63 | 26.67 | - | - | 27.29 |
| Generators | 5.57 | - | - | - | 5.57 |
| Printer | 0.17 | - | - | - | 0.17 |
| Total | 36.24 | 26.82 | - | - | 63.05 |
| Depreciation | | | | | |
| | As at 1 April 2023 | Additions | Adjustments | Deletions | As at 31 Dec 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 17.73 | 0.75 | - | - | 18.48 |
| Computers | 3.45 | 0.46 | - | - | 3.91 |
| Vehicle | 0.54 | 2.88 | - | - | 3.42 |
| Generators | 4.03 | 0.21 | - | - | 4.24 |
| Printer | 0.07 | 0.05 | - | - | 0.12 |
| Total | 29.87 | 4.35 | - | - | 34.22 |
| Carrying amounts | | | | | |
| | As at 31 March 2023 | | As at 31 Dec 2023 | | |
| Office Premises | - | | - | | - |
| Furniture and fixtures | 3.84 | | 3.09 | | 3.09 |
| Computers | 0.79 | | 0.49 | | 0.49 |
| Vehicle | 0.09 | | 23.87 | | 23.87 |
| Generators | 1.55 | | 1.33 | | 1.33 |
| Printer | 0.10 | | 0.05 | | 0.05 |
| Total | 6.36 | | 28.83 | | 28.83 |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

Property, Plant & Equipments

| As at 31 March 2023 | | | | | |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| Cost | As at 1 April 2022 | Additions | Adjustments | Deletions | As at 31 March 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 3.10 | 1.15 | - | - | 4.25 |
| Vehicle | 0.63 | - | - | - | 0.63 |
| Generators | 5.57 | - | - | - | 5.57 |
| Printer | - | 0.17 | - | - | 0.17 |
| Total | 34.92 | 1.32 | - | - | 36.24 |

| Depreciation | | | | | |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| | As at 1 April 2022 | Additions | Adjustments | Deletions | As at 31 March 2023 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 16.42 | 1.31 | - | - | 17.73 |
| Computers | 2.94 | 0.51 | - | - | 3.45 |
| Vehicle | 0.51 | 0.03 | - | - | 0.54 |
| Generators | 3.72 | 0.31 | - | - | 4.03 |
| Printer | - | 0.07 | - | - | 0.07 |
| Total | 27.64 | 2.23 | - | - | 29.87 |

| Carrying amounts | | | |
|------------------------|------------------------|------------------------|--|
| | As at 31 March 2022 | As at 31 March 2023 | |
| Office Premises | - | - | |
| Furniture and fixtures | 5.15 | 3.83 | |
| Computers | 0.15 | 0.79 | |
| Vehicle | 0.12 | 0.09 | |
| Generators | 1.85 | 1.55 | |
| Printer | - | 0.10 | |
| Total | 7.27 | 6.37 | |

Property, Plant & Equipments

| As at 31 March 2022 | | | | | |
|------------------------|-----------------------|-----------|-------------|-----------|------------------------|
| Cost | As at 1 April 2021 | Additions | Adjustments | Deletions | As at 31 March 2022 |
| Office Premises | 4.05 | - | - | - | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 3.10 | - | - | - | 3.10 |
| Vehicle | 0.63 | - | - | - | 0.63 |
| Generators | 5.57 | - | - | - | 5.57 |
| Total | 34.92 | - | - | - | 34.92 |

| Depreciation | | | | | |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| | As at 1 April 2021 | Additions | Adjustments | Deletions | As at 31 March 2022 |
| Office Premises | 3.04 | 1.01 | - | - | 4.05 |
| Furniture and fixtures | 14.62 | 1.80 | - | - | 16.42 |
| Computers | 2.94 | - | - | - | 2.94 |
| Vehicle | 0.47 | 0.04 | - | - | 0.51 |
| Generators | 3.32 | 0.41 | - | - | 3.72 |
| Total | 24.38 | 3.26 | - | - | 27.64 |

| Carrying amounts | | | |
|------------------------|------------------------|------------------------|--|
| | As at 31 March 2021 | As at 31 March 2022 | |
| Office Premises | - | - | |
| Furniture and fixtures | 6.95 | 5.15 | |
| Computers | 0.15 | 0.15 | |
| Vehicle | 0.16 | 0.12 | |
| Generators | 2.26 | 1.85 | |
| Total | 10.53 | 7.27 | |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

Property, Plant & Equipments

As at 31 March 2021

| Cost | As at 1 April 2020 | Additions | Adjustments | Deletions | As at 31 March 2021 |
|------------------------|-----------------------|-----------|-------------|-------------|------------------------|
| Office Premises | 6.08 | - | - | 2.03 | 4.05 |
| Furniture and fixtures | 21.57 | - | - | - | 21.57 |
| Computers | 3.10 | - | - | - | 3.10 |
| Vehicle | 0.63 | - | - | - | 0.63 |
| Generators | 5.57 | - | - | - | 5.57 |
| Total | 36.94 | - | - | 2.03 | 34.92 |

Depreciation

| | As at 1 April 2020 | Additions | Adjustments | Deletions | As at 31 March 2021 |
|------------------------|-----------------------|-------------|-------------|-----------|------------------------|
| Office Premises | 2.03 | 1.01 | - | - | 3.04 |
| Furniture and fixtures | 12.19 | 2.43 | - | - | 14.62 |
| Computers | 2.94 | - | - | - | 2.94 |
| Vehicle | 0.41 | 0.06 | - | - | 0.47 |
| Generators | 2.81 | 0.50 | - | - | 3.32 |
| Total | 20.38 | 4.00 | - | - | 24.38 |

Carrying amounts

| | As at 31 March 2020 | As at 31 March 2021 |
|------------------------|------------------------|------------------------|
| Office Premises | 4.05 | 1.01 |
| Furniture and fixtures | 9.38 | 6.95 |
| Computers | 0.15 | 0.15 |
| Vehicle | 0.21 | 0.16 |
| Generators | 2.76 | 2.26 |
| Total | 16.56 | 10.53 |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.2 Investments

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| (A) Debt securities | - | - | - | - |
| (B) Equity Instruments | | | | |
| Investment carried at cost | | | | |
| Subsidiaries companies | | | | |
| (i) Yamunashakam Tradeventures Private Limited (60,30,000 equity shares of face value of Rs. 10/- each; Previous years : Nil) | 603.00 | 603.00 | - | - |
| | <u>603.00</u> | <u>603.00</u> | <u>-</u> | <u>-</u> |
| Less: Allowances for impairment loss | - | - | - | - |
| | <u>603.00</u> | <u>603.00</u> | <u>-</u> | <u>-</u> |
| (C) (i) Investments in India | 603.00 | 603.00 | - | - |
| (ii) Investments outside India | - | - | - | - |
| | <u>603.00</u> | <u>603.00</u> | <u>-</u> | <u>-</u> |
| Less: Allowances for impairment loss | - | - | - | - |
| | <u>603.00</u> | <u>603.00</u> | <u>-</u> | <u>-</u> |

1.3 Deferred tax assets (Net)

| | At at 1 April 2023 | Recognised in profit & loss | At at 31 Dec 2023 |
|--|------------------------|--------------------------------|------------------------|
| Difference in written down value as per companies act and income tax act | 1.75 | (0.06) | 1.81 |
| Total | <u>1.75</u> | <u>(0.06)</u> | <u>1.81</u> |
| | At at 31 March 2022 | Recognised in profit & loss | At at 31 March 2023 |
| Difference in written down value as per companies act and income tax act | 1.93 | 0.18 | 1.75 |
| Total | <u>1.93</u> | <u>0.18</u> | <u>1.75</u> |
| | At at 31 March 2021 | Recognised in profit & loss | At at 31 March 2022 |
| Difference in written down value as per companies act and income tax act | 1.91 | (0.02) | 1.93 |
| Total | <u>1.91</u> | <u>(0.02)</u> | <u>1.93</u> |
| | At at 31 March 2020 | Recognised in profit & loss | At at 31 March 2021 |
| Difference in written down value as per companies act and income tax act | 2.80 | 0.89 | 1.91 |
| Total | <u>2.80</u> | <u>0.89</u> | <u>1.91</u> |

1.4 Other assets

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------------|------------------------|------------------------|------------------------|
| Other non-current assets | | | | |
| Capital advances | - | - | 64.20 | 64.20 |
| Fixed Deposits with Banks | 5.00 | - | - | - |
| Security Deposit for rent | 0.42 | - | - | - |
| Total | <u>5.42</u> | <u>-</u> | <u>64.20</u> | <u>64.20</u> |
| Other current assets (Unsecured, considered good unless otherwise stated) | | | | |
| Duties & Taxes recoverable | 5.15 | 3.22 | - | 5.47 |
| Prepaid expenses | 1.77 | - | - | - |
| Advance to Vendors | 72.45 | - | - | - |
| Other loans and advances | - | 0.24 | - | - |
| Accrued Interest | 9.48 | - | - | - |
| Total | <u>88.86</u> | <u>3.46</u> | <u>-</u> | <u>5.47</u> |

1.5 Inventories

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Paper & Fabric items (at lower of cost or NRV) | 29.77 | 100.34 | - | 183.70 |
| | <u>29.77</u> | <u>100.34</u> | <u>-</u> | <u>183.70</u> |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.6 Investments

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Equity instruments (measured at FVTPL) | - | - | - | 74.25 |
| | - | - | - | 74.25 |

1.7 Trade Receivables

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Secured & Considered Goods | - | - | - | - |
| Unsecured & Considered Goods | 505.84 | 393.51 | 14.40 | 174.70 |
| Doubtful | - | - | - | - |
| Less: Provision for bad and doubtful trade receivables | - | - | - | - |
| | 505.84 | 393.51 | 14.40 | 174.70 |

Ageing analysis of Trade Receivables as on 31st December 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|--------------|-----------|------------------|---------------|
| | Less than 6 months | 6months to 1 year | 1-2years | 2-3 years | More than 3years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | 369.63 | 123.36 | 12.84 | - | - | 505.84 |
| considered doubtful | - | - | - | - | - | - |
| Total | 369.63 | 123.36 | 12.84 | - | - | 505.84 |

Ageing analysis of Trade Receivables as on 31st March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|--------------|-----------|------------------|---------------|
| | Less than 6 months | 6months to 1 year | 1-2years | 2-3 years | More than 3years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | 393.51 | 119.89 | 10.69 | - | - | 524.09 |
| considered doubtful | - | - | - | - | - | - |
| Total | 393.51 | 119.89 | 10.69 | - | - | 524.09 |

Ageing analysis of Trade Receivables as on 31st March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|----------|-----------|------------------|--------------|
| | Less than 6 months | 6months to 1 year | 1-2years | 2-3 years | More than 3years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | 14.40 | - | - | - | - | 14.40 |
| considered doubtful | - | - | - | - | - | - |
| Total | 14.40 | - | - | - | - | 14.40 |

Ageing analysis of Trade Receivables as on 31st March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | | Total |
|---|--|-------------------|----------|-----------|------------------|---------------|
| | Less than 6 months | 6months to 1 year | 1-2years | 2-3 years | More than 3years | |
| Undisputed, Secured trade receivables | - | - | - | - | - | - |
| considered good | - | - | - | - | - | - |
| considered doubtful | - | - | - | - | - | - |
| Undisputed, unsecured trade receivables | - | - | - | - | - | - |
| considered good | 174.70 | - | - | - | - | 174.70 |
| considered doubtful | - | - | - | - | - | - |
| Total | 174.70 | - | - | - | - | 174.70 |

1.8 Cash and cash equivalents

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------------|------------------------|------------------------|------------------------|
| Cash on Hand | 14.36 | 11.43 | 3.18 | 2.77 |
| Balances with banks in current accounts | 47.03 | 2.06 | 140.13 | 1.82 |
| Fixed Deposits with Banks | - | - | - | - |
| | 61.39 | 13.49 | 143.31 | 4.59 |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.9 Loans

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|-----------------------------|---------------------------|------------------------|------------------------|------------------------|
| Unsecured, considered goods | | | | |
| Loan to others | 1,540.70 | 1,638.61 | 392.08 | 124.04 |
| | <u>1,540.70</u> | <u>1,638.61</u> | <u>392.08</u> | <u>124.04</u> |

1.10 Current tax assets (Net)

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------------|------------------------|------------------------|------------------------|
| Advance tax and tax deduction at source (net of provision of taxes) | - | - | 0.02 | 0.01 |
| Total | - | - | <u>0.02</u> | <u>0.01</u> |

1.14 Trade payables

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 1.02 | 0.68 | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 122.48 | 33.10 | 0.10 | 0.96 |
| | <u>123.50</u> | <u>33.77</u> | <u>0.10</u> | <u>0.96</u> |

Details of dues to Micro and Small Enterprises as defined under the MSMED Act.

The Company has sent letters to suppliers to confirm whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006 as well as whether they have file required memorandum with the prescribed authorities. Based on the confirmation received, if any, the detail of outstanding are as under:

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|---|---------------------------|------------------------|------------------------|------------------------|
| - Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end. | 1.02 | 0.68 | - | - |
| - Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end. | - | 0.02 | - | - |
| - Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year. | - | - | - | - |
| - Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond | - | - | - | - |
| - Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year. | - | - | - | - |
| - Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year. | - | - | - | - |
| - Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act. | - | - | - | - |
| - Interest accrued and remaining unpaid as at the end of year. | - | 0.02 | - | - |
| - Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 21 of the MSMED Act. | - | - | - | - |

Trade payable ageing schedule for 31 December 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|--------------|-------------|-------------------|---------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 1.02 | - | - | - | 1.02 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 110.54 | 10.00 | 1.94 | - | 122.48 |
| Total | <u>111.56</u> | <u>10.00</u> | <u>1.94</u> | <u>-</u> | <u>123.50</u> |

Trade payable ageing schedule for 31 March 2023

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-------------|-----------|-------------------|--------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | 0.68 | - | - | - | 0.68 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 30.18 | 2.92 | - | - | 33.10 |
| Total | <u>30.86</u> | <u>2.92</u> | <u>-</u> | <u>-</u> | <u>33.77</u> |

Trade payable ageing schedule for 31 March 2022

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | - | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 0.10 | - | - | - | 0.10 |
| Total | <u>0.10</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.10</u> |

Trade payable ageing schedule for 31 March 2021

| Particulars | Outstanding for following periods from due date of payment | | | | Total |
|--|--|-----------|-----------|-------------------|-------------|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (a) Total outstanding dues of micro enterprises and small enterprises and: | - | - | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 0.96 | - | - | - | 0.96 |
| Total | <u>0.96</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>0.96</u> |



L11 Share capital

| | As at 31 December 2023 | | As at 31 March 2023 | | As at 31 March 2022 | | As at 31 March 2021 | |
|---|------------------------|-----------------|---------------------|-----------------|---------------------|---------------|---------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Authorised share capital | | | | | | | | |
| Equity shares | | | | | | | | |
| Equity shares of Rs. 1 each* | 75,00,00,000 | 7,500.00 | 3,00,00,000 | 3,000.00 | 31,00,000 | 310.00 | 31,00,000 | 310.00 |
| (*As at 31st March 2023, 31st March 2022 and 31st March 2021 Equity shares were of Rs.10 each.) | | | | | | | | |
| Total | 75,00,00,000 | 7,500.00 | 3,00,00,000 | 3,000.00 | 31,00,000 | 310.00 | 31,00,000 | 310.00 |
| Issued, subscribed and fully paid up | | | | | | | | |
| Equity shares | | | | | | | | |
| Equity shares of Rs. 1 each* | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | 30,02,172 | 300.22 | 30,02,172 | 300.22 |
| (*As at 31st March 2023, 31st March 2022 and 31st March 2021 Equity shares were of Rs.10 each.) | | | | | | | | |
| Total | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | 30,02,172 | 300.22 | 30,02,172 | 300.22 |

(a) Reconciliation of number of shares

| | As at 31 December 2023 | | As at 31 March 2023 | | As at 31 March 2022 | | As at 31 March 2021 | |
|--|------------------------|-----------------|---------------------|-----------------|---------------------|---------------|---------------------|---------------|
| | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount | No. of shares | Amount |
| Equity share capital | | | | | | | | |
| Balance as at the beginning of the year | 1,81,92,344 | 1,819.23 | 30,02,172 | 300.22 | 30,02,172 | 300.22 | 30,02,172 | 300.22 |
| Share Extinguished on Splitting of Shares (Refer note below) | (1,81,92,344) | - | - | - | - | - | - | - |
| Split of Share during the period | 18,19,23,440 | - | - | - | - | - | - | - |
| Add: Bonus Issue | 6,82,12,871 | 682.13 | - | - | - | - | - | - |
| Add: Increase during the year | - | - | 1,51,96,172 | 1,519.02 | - | - | - | - |
| Balance as at the end of the year | 25,01,36,311 | 2,501.36 | 1,81,92,344 | 1,819.23 | 30,02,172 | 300.22 | 30,02,172 | 300.22 |

(b) Rights / preferences / restrictions attached to equity shares

The Company has one class of equity shares having a par value of Rs. 1 per Share. Each Shareholder is eligible for one vote per share held. The dividend proposed (if any) by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend (if any). In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Details of shareholders holding more than 5% shares in the Company

| Name of shareholder | As at 31 December 2023 | | As at 31 March 2023 | | As at 31 March 2022 | | As at 31 March 2021 | |
|--------------------------------------|------------------------|-----------|---------------------|-----------|---------------------|-----------|---------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding | No. of shares | % holding |
| Kriti Suri | - | 0.00% | - | 0.00% | - | 0.00% | 7,20,000 | 23.98% |
| Usha Sharma | - | 0.00% | - | 0.00% | - | 0.00% | 2,89,891 | 9.66% |
| Sanjay Kumar Sharma | - | 0.00% | - | 0.00% | - | 0.00% | 1,56,750 | 5.22% |
| Arunesh Krambhai Sheth | - | 0.00% | - | 0.00% | 1,56,000 | 5.20% | - | 0.00% |
| Katyayani Tradeflink | 1,09,33,117 | 4.37% | 33,60,000 | 18.47% | - | - | - | 0.00% |
| Banka Tradeflink Private Limited | 92,45,463 | 3.70% | 33,60,000 | 18.47% | - | - | - | 0.00% |
| Moneytree Tradeflink Private Limited | 84,39,440 | 3.37% | 33,60,000 | 18.47% | - | - | - | 0.00% |

(d) No bonus shares or shares issued for consideration other than cash or shares bought back over the last five years immediately preceding the reporting date

(e) Detail of share held by promoters as at 31 December 2023

| Promoter Name | No. of shares | % of total shares | % change during the year |
|-------------------------------|---------------|-------------------|--------------------------|
| Nidant Subbani Chandra Goindi | 36,53,000 | 2.20% | -1.05% |

(e) Detail of share held by promoters as at March 2023

| Promoter Name | No. of shares | % of total shares | % change during the year |
|-------------------------------|---------------|-------------------|--------------------------|
| Nidant Subbani Chandra Goindi | 2,20,344 | 1.21% | 2.40% |

Detail of share held by promoters as at March 2022

| Promoter Name | No. of shares | % of total shares | % change during the year |
|-------------------------------|---------------|-------------------|--------------------------|
| Nidant Subbani Chandra Goindi | 1,10,172 | 3.67% | 100.00% |

Detail of share held by promoters as at March 2021

| Promoter Name | No. of shares | % of total shares | % change during the year |
|---------------|---------------|-------------------|--------------------------|
| Mukesh Sharma | 81,250 | 2.71% | 100.00% |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.12 Other Equity

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Retained Earning | | | | |
| Balance at beginning of the year | 57.31 | 6.47 | 27.77 | 40.06 |
| Add: Profits/(Loss) for the year | 153.81 | 50.84 | (21.50) | (12.28) |
| Less: Utilised for Bonus issue | (60.92) | - | - | - |
| Less: Dividend Paid | (22.74) | - | - | - |
| Balance at closing of the year | 127.47 | 57.31 | 6.47 | 27.77 |
| Security Premium | | | | |
| Balance at beginning of the year | 621.21 | 312.03 | 312.03 | 312.03 |
| Less: Utilised for Bonus issue | (621.21) | - | - | - |
| Add: Addition during the year | - | 309.18 | - | - |
| Balance at closing of the year | - | 621.21 | 312.03 | 312.03 |
| Other Comprehensive Income, Net of Tax | | | | |
| Equity instruments measured at fair value through other comprehensive income | | | | |
| Balance at beginning of the year | - | - | - | - |
| Add: Transfer from retained earning | - | - | - | - |
| Balance at closing of the year | - | - | - | - |
| Re-measurements of defined employee benefit plans | | | | |
| Balance at beginning of the year | - | - | - | - |
| Add: Changes during the year | - | - | - | - |
| Balance at closing of the year | - | - | - | - |
| Balance at the end of year | 127.47 | 678.52 | 318.50 | 339.80 |

Nature and purpose of reserves:

Retained Earning

This reserve represents the cumulative profits of the Company less any transfer to statutory reserve. This can be utilised in accordance with the provision of Companies Act, 2013.

Other comprehensive income (OCI)

- (a) The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.
- (b) The Company has recognised remeasurement of defined benefits plans through other comprehensive income.



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED

(All amounts in ₹ lacs, unless otherwise stated)

1.13 Borrowings
(at amortised cost)

| Particulars | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------------|------------------------|------------------------|------------------------|
| Non-current | | | | |
| Secured Loans | | | | |
| From Banks | | | | |
| - Bank/Financial Institution | - | - | - | - |
| - Vehicle Loan | 16.74 | - | - | - |
| | <u>16.74</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unsecured Loans | | | | |
| From Banks / Financial Institutions | | | | |
| - Bank/ Financial Institution | - | - | - | - |
| From others | | | | |
| - Loans from Directors and relatives | - | - | - | - |
| - Other long term Loan from corporates | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>16.74</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Current | | | | |
| Secured Loans | | | | |
| From Banks | | | | |
| - Bank/Financial Institution | - | - | - | - |
| - Vehicle Loan | 3.67 | - | - | - |
| | <u>3.67</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Unsecured Loans | | | | |
| From Banks / Financial Institutions | | | | |
| - Bank/ Financial Institution | - | - | - | - |
| From others | | | | |
| - Loans from Directors and relatives | - | - | - | - |
| - Other Loan from corporates | 22.84 | - | - | - |
| | <u>22.84</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>26.51</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>43.25</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Restated Statement of Principal terms of Secured Loans and Assets charged as Security

| Name of Lender | Purpose | Rate of Interest | Repayment Schedule | Security | Outstanding amount as at 31st December 2023 | Outstanding amount as at 31 March 2023 |
|-------------------------------|--------------------------|------------------|---|---|---|---|
| Secured Loans | | | | | | |
| - Vehicle Loan | Vehicle purchase on loan | 9.20% | 60 Months (From the date of disbursement) | First charge on Vehicle Purchased (XUV 700) | 20.41 | - |
| Unsecured Loans | | | | | | |
| - Loans from Directors | | | | | | |
| - Bank/ Financial Institution | Business Loan | NA | NA | NA | 22.84 | - |
| - Other Loan from corporates | | | | | | |

1.15 Other financial liabilities

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--------------------|---------------------------|------------------------|------------------------|------------------------|
| Audit fees payable | 1.88 | 3.00 | 0.40 | 0.36 |
| GST payable | - | 0.18 | 1.08 | - |
| Income tax payable | 52.11 | 17.48 | - | - |
| Other payable | 14.76 | 4.89 | 2.57 | - |
| Salary Payable | - | - | - | 0.90 |
| Lease Liability | - | - | - | 1.10 |
| | <u>68.75</u> | <u>25.55</u> | <u>4.14</u> | <u>2.36</u> |
| | | 19.47 | | |

1.16 Other current liabilities

| | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|------------------------------------|---------------------------|------------------------|------------------------|------------------------|
| Statutory Dues Payable | 1.28 | 0.70 | 0.25 | 0.06 |
| Provision for Income Tax Liability | - | - | - | - |
| Advance from customers | - | 202.75 | - | - |
| | <u>1.28</u> | <u>203.45</u> | <u>0.25</u> | <u>0.06</u> |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

II.1 Revenue from operations

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations | | | | |
| Sale of materials | 510.45 | 554.56 | 145.63 | 136.02 |
| Other operational income | 115.00 | - | - | - |
| | <u>625.45</u> | <u>554.56</u> | <u>145.63</u> | <u>136.02</u> |

II.2 Other income

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Interest on loans advanced | 80.24 | 56.47 | 6.11 | 11.20 |
| b. Profit on Sale of shares | - | - | 28.65 | - |
| c. Dividend income | - | - | 0.14 | 0.14 |
| d. Commission Income | 25.00 | 35.19 | - | - |
| e. Interest on FDs | 0.23 | - | - | - |
| f. De-recognition of lease liability | - | - | - | 0.09 |
| | <u>105.47</u> | <u>91.66</u> | <u>34.90</u> | <u>11.42</u> |

II.3 Purchases of Stock in trade

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Purchases | 409.89 | 590.62 | - | 217.20 |
| | <u>409.89</u> | <u>590.62</u> | <u>-</u> | <u>217.20</u> |

II.4 Change in inventories of stock in trade

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|------------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. As at the beginning of the year | 100.34 | - | 183.70 | 98.99 |
| b. As at the end of the year | 29.77 | 100.34 | - | 183.70 |
| | <u>70.56</u> | <u>(100.34)</u> | <u>183.70</u> | <u>(84.71)</u> |

II.5 Employee benefits expense

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Salary, wages and bonus | 7.46 | 11.46 | 9.74 | 12.07 |
| b. Staff welfare expense | - | - | 0.08 | 0.05 |
| c. Contribution to provident and other funds | - | - | - | - |
| | <u>7.46</u> | <u>11.46</u> | <u>9.82</u> | <u>12.12</u> |



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

II.6 Finance Cost

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Interest paid on loan | - | - | 0.03 | - |
| b. Interest expense on lease liabilities | - | - | 0.10 | 0.19 |
| c. Interest expense on car loan | 0.71 | - | - | - |
| d. Other Interest | - | 0.02 | - | - |
| | <u>0.71</u> | <u>0.02</u> | <u>0.13</u> | <u>0.19</u> |

II.7 Depreciation and amortisation expense

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Depreciation on plant, property and equipment | 4.35 | 2.23 | 3.26 | 4.00 |
| | <u>4.35</u> | <u>2.23</u> | <u>3.26</u> | <u>4.00</u> |

II.8 Other expenses

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| a. Advertisement expenses | 3.06 | 0.36 | 0.19 | 0.10 |
| b. Bank charges | - | 0.02 | 0.04 | 0.06 |
| c. Insurance expenses | - | - | - | - |
| d. Software Expenses | 0.11 | - | - | - |
| e. Conveyance expenses | - | - | 0.13 | 0.14 |
| f. Demat account charges | - | - | 0.06 | - |
| g. Director sitting fee | - | 0.10 | 0.37 | 0.37 |
| h. Electricity expenses | 0.15 | 0.09 | 0.06 | 0.03 |
| i. Fee & subscription | 0.13 | - | 0.29 | 0.19 |
| j. Filing fee | 0.34 | - | 0.08 | 0.05 |
| k. Office expenses | 0.19 | 0.73 | - | - |
| l. Freight and cartage | - | - | - | 0.64 |
| m. Interest and penalties | 0.22 | 0.01 | 0.00 | - |
| n. Listing fee | 18.09 | 49.91 | 0.25 | 0.25 |
| o. Miscellaneous expenses | 0.00 | 3.93 | 0.08 | 0.01 |
| p. Payment to statutory auditors (See Note-A below) | 1.88 | 3.00 | 0.62 | 0.46 |
| q. Postage & telegram | - | - | 0.01 | 0.03 |
| r. Printing and stationery | - | 0.07 | 0.04 | 0.05 |
| s. Professional charges | 3.15 | 5.68 | 2.61 | 0.80 |
| t. Telephone expenses | 0.15 | 0.15 | 0.02 | 0.03 |
| u. Website expenses | - | - | 0.09 | 0.09 |
| v. Bad debts | - | 0.08 | - | - |
| w. Commission | 0.01 | 6.14 | - | - |
| x. Travelling and accessories | 0.08 | - | - | - |
| y. Loss on fair value of Investment in equity (held for trading) | - | - | - | 6.75 |
| z. Power and fuel | 0.07 | - | - | - |
| aa. Rent | 1.96 | 3.46 | - | - |
| ab. Dividend Service Charges | 0.49 | - | - | - |
| | <u>30.10</u> | <u>73.73</u> | <u>4.94</u> | <u>10.04</u> |

Note:

| | | | | |
|------------------------------|-------------|-------------|-------------|-------------|
| A Payments to auditors | | | | |
| (i) Audit Fees | 1.88 | 2.50 | 0.55 | 0.40 |
| (ii) Other Services | - | 0.50 | 0.07 | 0.06 |
| (iii) Out of pocket expenses | - | - | - | - |
| | <u>1.88</u> | <u>3.00</u> | <u>0.62</u> | <u>0.46</u> |

II.9 Earning per share

| | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|--|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Net profit after tax available for equity shareholders (A) | 153.81 | 50.84 | (21.30) | (12.28) |
| Weighted average number of equity shares (B) * | 25,01,36,311 | 16,82,47,385 | 4,12,78,476 | 4,12,78,476 |
| Basic EPS (A/B) (in ₹) | 0.06 | 0.03 | (0.05) | (0.03) |
| Diluted EPS (A/B) (in ₹) | 0.06 | 0.03 | (0.05) | (0.03) |
| Nominal value per equity share (in ₹) | 1.00 | 1.00 | 1.00 | 1.00 |



STANDALONE STATEMENT OF ACCOUNTING & OTHER RATIOS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | As at | As at | As at | As at |
|--|---------------|---------------|-----------------|----------------|
| | 31 Dec 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Net Profit as Restated | 153.81 | 50.84 | (21.30) | (12.28) |
| Add: Depreciation | 4.35 | 2.23 | 3.26 | 4.00 |
| Add: Interest on Loan | 0.71 | 0.02 | 0.13 | 0.19 |
| Add: Tax Expenses | 54.04 | 17.66 | (0.02) | 0.89 |
| EBITDA | 212.91 | 70.74 | (17.93) | (7.21) |
| EBITDA Margin (%) | 29.13% | 10.95% | (9.93%) | (4.89%) |
| Net Worth as Restated | 2,628.83 | 2,497.76 | 618.72 | 640.02 |
| Return on Net worth (%) as Restated | 5.85% | 2.04% | (3.44%) | (1.92%) |
| Equity Share at the end of year (in Nos.) | 25,01,36,311 | 1,81,92,344 | 30,02,172 | 30,02,172 |
| Weighted No. of Equity Shares | 25,01,36,311 | 16,82,47,385 | 4,12,78,476 | 4,12,78,476 |
| Basic & Diluted Earnings per Equity Share as Restated | 0.06 | 0.03 | (0.05) | (0.03) |
| Net Asset Value per Equity share as Restated (Pre Split) | 10.51 | 13.73 | 20.61 | 21.32 |
| Net Asset Value per Equity share as Restated (Post Split/Bonus) | 1.05 | 1.48 | 1.50 | 1.55 |
| Nominal Value per Equity share (Rs.) (Post Split) | 1.00 | 1.00 | 1.00 | 1.00 |
| Current Assets (A) | 2,226.56 | 2,149.40 | 549.81 | 566.74 |
| Current Liabilities (B) | 220.05 | 262.78 | 4.49 | 3.37 |
| Current Ratio (A/B) | 10.12 | 8.18 | 122.53 | 168.05 |
| Debt | 43.25 | - | - | - |
| Equity | 2,628.83 | 2,497.75 | 618.72 | 640.02 |
| Debt Equity Ratio (In Times) | 0.02 | - | - | - |
| PAT | 153.81 | 50.84 | (21.30) | (12.28) |
| Average Equity of Shareholder | 2,497.76 | 1,558.24 | 629.37 | 616.82 |
| Return On Equity (%) | 6.16% | 3.26% | (3.38%) | (1.99%) |
| Opening Inventory | 100.34 | - | 183.70 | 98.99 |
| Closing Inventory | 29.77 | 100.34 | - | 183.70 |
| Average Inventory | 65.05 | 50.17 | 91.85 | 141.35 |
| Revenue From Operation | 625.45 | 554.56 | 145.63 | 136.02 |
| Inventory Turnover Ratio (In Times) | 9.61 | 11.05 | 1.59 | 0.96 |
| Purchase | 480.46 | 490.28 | 183.70 | 132.49 |
| Opening Trade Payable | 33.77 | 0.10 | 0.06 | 4.53 |
| Closing Trade Payable | 123.50 | 33.77 | 0.10 | 0.96 |
| Average Trade Payable | 78.64 | 16.93 | 0.53 | 2.74 |
| Trade Payable Ratio (In Times) | 6.11 | 28.95 | 348.87 | 48.30 |
| Revenue From Operation | 625.45 | 554.56 | 145.63 | 136.02 |
| Capital Employed | 2,628.83 | 2,497.76 | 618.72 | 640.02 |
| Net Capital Turnover Ratio (In Times) | 0.24 | 0.22 | 0.24 | 0.21 |
| Revenue From Operation | 625.45 | 554.56 | 145.63 | 136.02 |
| PAT | 153.81 | 50.84 | (21.30) | (12.28) |
| N P Ratio (In %) | 24.59% | 9.17% | (14.63%) | (9.03%) |
| EBIT | 208.56 | 68.52 | (21.19) | (11.21) |
| Opening Capital Employed | 2,497.76 | 618.72 | 640.02 | 577.64 |
| Closing Capital Employed | 2,628.83 | 2,497.76 | 618.72 | 640.02 |
| Average Capital Employed | 2,563.29 | 1,558.24 | 629.37 | 608.83 |
| Restated PAT as per P&L Account | 153.81 | 50.84 | (21.30) | (12.28) |
| Return on Capital Employed (In %) | 6.00% | 3.26% | (3.38%) | (2.02%) |
| Net PAT | 153.81 | 50.84 | (21.30) | (12.28) |
| Opening Assets | 2,760.53 | 623.21 | 643.39 | 582.52 |
| Closing Assets | 2,865.62 | 2,760.53 | 623.21 | 643.39 |
| Average Assets | 2,813.07 | 1,691.87 | 633.30 | 612.96 |
| Return on Investments (In %) | 5.47% | 3.00% | (3.36%) | (2.00%) |

Note:-

EBITDA Margin = EBITDA/Total Revenues

Earnings per share (₹) = Profit available to equity shareholders / Weighted No. of shares outstanding at the end of the year

Return on Net worth (%) = Restated Profit after taxation / Net worth x 100

Net asset value/Book value per share (₹) = Net worth / No. of equity shares

The Company does not have any revaluation reserves or extra-ordinary items.



IPL Enterprises Limited
CIN L74110DL2009PLC186958

ANNEXURE -VII

STANDALONE STATEMENT OF CAPITALIZATION, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

| Particulars | Pre-Issue 31 December 2023 | Post Issue* |
|--|-------------------------------|-------------|
| Debt : | | |
| Short Term Debt | 26.51 | - |
| Long Term Debt | 16.74 | - |
| Total Debt | 43.25 | - |
| Shareholders Funds | | |
| Equity Share Capital | 2,501.36 | - |
| Other Equity | 127.47 | - |
| Total Shareholders' Funds | 2,628.83 | - |
| <i>Long Term Debt/ Shareholders' Funds</i> | <i>0.01</i> | <i>-</i> |
| <i>Total Debt / Shareholders Fund</i> | <i>0.02</i> | <i>-</i> |

* To be updated upon finalisation of the issue price.



IFL Enterprises Limited
CIN L74110DL2009PLC186958

STANDALONE STATEMENT OF TAX SHELTER, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

ANNEXURE VIII

| Income taxes relating to continuing operations | | | | |
|---|-----------------------------|---------------------------|---------------------------|---------------------------|
| Reconciliation of effective tax rate | For the Period ended | For the Year ended | For the Year ended | For the Year ended |
| | 31 Dec 2023 | 31 March 2023 | 31 March 2022 | 31 March 2021 |
| Profit before tax / (Loss) | 207.85 | 68.50 | (21.32) | (11.40) |
| Less: Income considered seperately | - | - | - | - |
| Less: Unrealised Income | - | - | - | - |
| Add: Disallowances | 4.35 | 26.52 | - | 0.02 |
| Less: Allowances | 4.12 | 1.62 | - | 0.03 |
| Taxable Profit / (Loss) | 208.07 | 93.39 | (21.32) | (11.41) |
| Less: B/f losses | - | 26.17 | - | - |
| Taxable Profit / (Loss) after adjustment of b/f losses | 208.07 | 67.22 | (21.32) | (11.41) |
| Book Profit under MAT | - | - | - | - |
| Short term Capital Gain | - | - | - | - |
| At statutory income tax rate of 26% | 54.10 | 17.48 | - | - |



STANDALONE STATEMENT OF RELATED PARTIES & TRANSACTIONS, AS RESTATED
(All amounts in ₹ lacs, unless otherwise stated)

The Company has entered into following related party transactions for the periods covered under audit. Such parties and transactions are identified as per Ind AS 24 - 'Related Party Disclosures' issued by Institute of Chartered Accountants of India.

| Name of Group Companies | Relationship |
|--|-------------------------|
| Yamunashaktam Tradeventures Private Limited | Subsidiary company |
| Name of the key managerial personnel | Relationship |
| Kiritkumar Sendhabhai Parmar (Appointed on 12.03.2024) | Managing Director & CFO |
| Rahul Pitaiya (Appointed on 15.03.2024) | Company Secretary |
| Kamlesh Kanaiyalal Joshi (Resigned w.e.f. 11.03.2024) | Managing Director & CFO |
| Sunder (Resigned w.e.f. 06.03.2024) | Company Secretary |
| Mr Dolar Kirit Shah (Resigned w.e.f. 17.08.2023) | Director |
| Mr Vinaben Kanaiyalal Joshi (Appointed on 13.05.2022) | Director |
| Mr. Samad Ahmed Khan (Appointed on 05.03.2022) | Director |
| Ms Falguni Mehal Raval (Appointed on 07.07.2022) | Director |
| Ms Shweta Dusat (Resigned w.e.f. 30.09.2023) | Company Secretary |
| Mr. Ashok Kumar Bansal (Resigned w.e.f. 11-03-22) | Whole-Time Director |
| Mr. Gopal Bansal (Resigned as Director w.e.f. 20-9-21) | Director |
| Mrs. Kusum Bansal (Appointed W.e.f. 29.09.2021 and resigned w.e.f. 05.03.2022) | Director |
| Mr. Manoj Kumar (Resigned w.e.f. 05.03.2022) | Director |
| Ms. Himanshi Kashyap (Resigned w.e.f. 05.03.2022) | Director |
| Ms. Dimple Mangal (Resigned w.e.f. 20.10.2020) | CFO |
| Mrs. Krishna Agarwal (Resigned w.e.f. 05.03.2022) | CFO |
| Mr. Sandeep Kumar (Resigned w.e.f. 24.03.2022) | Company Secretary |

Transactions with Related Parties:

| Particulars | For the period ended 31 December 2023 | For the year ended 31 March 2023 | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|-----------------------------------|--|-------------------------------------|-------------------------------------|-------------------------------------|
| Director Sitting Fees Paid | | | | |
| Mr Samad Ahmed Khan | 0.24 | 0.10 | - | - |
| Mr. Gopal Bansal | - | - | 0.10 | 0.11 |
| Mrs. Kusum Bansal | - | - | 0.03 | - |
| Mr. Manoj Kumar | - | - | 0.12 | - |
| Ms. Himanshi Kashyap | - | - | 0.12 | - |
| Mr Vinaben Kanaiyalal Joshi | 0.20 | - | - | - |
| Mr. Kamlesh Kanaiyalal Joshi | 0.20 | - | - | - |
| Remuneration Paid | | | | |
| Mr Dolar Kirit Shah | 1.33 | 2.50 | - | - |
| Mr Vinaben Kanaiyalal Joshi | - | 0.17 | - | - |
| Mr. Sandeep Kumar | - | 0.78 | 1.49 | 1.80 |
| Mrs. Krishna Agarwal | - | - | 3.85 | 1.87 |
| Ms. Dimple Mangal | - | - | 4.40 | 4.55 |

Balance outstanding with related parties at year end

| Particulars | As at 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--------------------------------------|---------------------------|------------------------|------------------------|------------------------|
| Balance Payable/(Recoverable) | | | | |
| Mr Dolar Kirit Shah | - | 0.97 | - | - |
| Mr Samad Ahmed Khan | - | (0.24) | - | - |
| Mr. Sandeep Kumar | - | - | - | 0.15 |
| Mrs. Krishna Agarwal | - | - | - | 0.35 |
| Ms. Dimple Mangal | - | - | - | 0.40 |



IPL Enterprises Limited

CIN L74110DL2009PLC186958

(All amounts in ₹ lacs, unless otherwise stated)

ANNEXURE -X

STANDALONE STATEMENT OF DIVIDENDS, AS RESTATED

The Company has paid dividend of Rs. 22.74 lakhs during the period ended December 2023.

ANNEXURE -XI

STANDALONE CHANGES IN THE SIGNIFICANT ACCOUNTING POLICIES, AS RESTATED

There have been no changes in the accounting policies of the company for the period covered under audit.

ANNEXURE -XII

STANDALONE CONTINGENT LIABILITIES, AS RESTATED:

| Particulars | 31 December 2023 | As at 31 March 2023 | As at 31 March 2022 | As at 31 March 2021 |
|--|---------------------|------------------------|------------------------|------------------------|
| a. Estimated amount of contracts remaining to be executed and not provided for | NA | NA | NA | NA |
| b. Claims against the Company not acknowledged as debt | NA | NA | NA | NA |
| c. Bank Guarantees | NA | NA | NA | NA |
| d. Outstanding Tax Demand with Respect to any Revenue Authorities | 0.02 | 0.02 | 0.02 | 0.02 |



STATEMENT OF CAPITALISATION

| Particulars | (Rs. in Lakhs) Pre-issue as at December 31, 2023 |
|--|---|
| Borrowings | |
| Current Borrowing | 26.51 |
| Non-Current Borrowing | 16.74 |
| Total Borrowings | 43.25 |
| Equity | |
| Equity Share Capital | 2501.36 |
| Other Equity | 127.47 |
| Total Equity | 2628.83 |
| Ratio: Non-current borrowings/Total Equity | 0.01 |
| Ratio: Total borrowings/Total Equity | 0.02 |

The amounts disclosed above are based on the Restated Standalone Financial Statements of the Company.

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

The following discussion of our financial condition and results of operations should be read in conjunction with the **"Restated Financial Statements"** beginning on page 92 of this Letter of Offer.

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should also read "Risk Factors" and **"Forward Looking Statements"** beginning on pages 19 and 14 respectively of this Letter of Offer, which discuss a number of factors and contingencies that could affect our financial condition and results of operations.

Our financial statements included in this Letter of Offer are prepared in accordance with Ind AS, which differs in certain material respects from other accounting standards such as IFRS. Our financial year ends on March 31 of each year. Accordingly, all references to a particular financial year are for the 12 months ended March 31 of that year. Unless otherwise indicated or the context requires, the financial information for Fiscal 2023, 2022 and 2021 included herein is based on the Restated Financial Statements, included in this Letter of Offer. For further information, see **"Restated Financial Statements"** beginning on page 92 of this Letter of Offer.

Neither we, any of their affiliates or advisors, nor any other person connected with the Issue has independently verified such information. For further information, see **"Presentation of Financial and other Information"** beginning on page 11 of this Letter of Offer.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2023 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

To the knowledge of our Company and except as disclosed herein, since the date of the last financial statements contained in this Letter of Offer, no other circumstances have arisen which would materially and adversely affect or which would be likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 (twelve) months.

1. Board of Directors of our Company has, at its meeting held on 09th May, 2023, approved the audited financial statements for the year ended March 31, 2023 and the shareholders of the Company have, at annual general meeting of the Company held on September 15th, 2023, adopted the audited financial statements for the year ended March 31, 2023.
2. The Board of Directors of our Company has approved to raise funds through Rights Issue in the board meeting held on December 28th, 2023.

FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Compliance with environmental laws and regulations

We are subject to central and state environmental laws and regulations, which govern the discharge, emission, storage, handling and disposal of a variety of substances that may be used in or result from its operations. In case of any change in environmental or pollution laws and regulations, we may be required to incur significant amounts on, among other things, environmental monitoring, pollution control equipment and emissions management. In addition, failure to comply with environmental laws may result in the assessment of penalties and fines against us by regulatory authorities.

Results of Operations

The following table sets out selected data from the Restated Standalone Financial Statements for Period ended December 2023, Financial Year 2023, Financial Year 2022 and Financial Year 2021, together with the percentage that each line item represents of our total revenue for the periods presented.

(Rs. Lakhs)

| S.N. | Particulars | For the Period Ended 31 December 2023 | %age of Total Income | For the year ended 31 March, 2023 | %age of Total Income | For the year ended 31 March, 2022 | %age of Total Income | For the year ended 31 March, 2021 | %age of Total Income |
|------|---|---------------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|-----------------------------------|----------------------|
| I | Revenue from Operations | 625.45 | 85.57 | 554.56 | 85.81 | 145.63 | 80.66 | 136.02 | 92.25 |
| II | Other Income | 105.47 | 14.42 | 91.66 | 14.18 | 34.90 | 19.33 | 11.42 | 7.74 |
| III | Total Income (I + II) | 730.92 | 100 | 646.22 | 100 | 180.53 | 100 | 147.44 | 100 |
| IV | Expenses | | | | | | | | |
| | (a) Cost of material Consumed | - | - | - | - | - | - | - | - |
| | (b) Purchases of stock-in-trade | 409.89 | 56.07 | 590.62 | 91.39 | - | - | 217.20 | 147.31 |
| | (c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade | 70.56 | 9.65 | (100.34) | (15.52) | 183.70 | 101.75 | (84.71) | (57.45) |
| | (d) Employee benefits expenses | 7.46 | 1.02 | 11.46 | 1.77 | 9.82 | 5.43 | 12.12 | 8.22 |
| | (e) Finance costs | 0.71 | 0.097 | 0.02 | 0.003 | 0.13 | 0.07 | 0.19 | 0.12 |
| | (f) Depreciation and amortization expenses | 4.35 | 0.595 | 2.23 | 0.34 | 3.26 | 1.80 | 4.00 | 2.71 |
| | (g) Other expenses | 30.10 | 4.11 | 73.73 | 11.40 | 4.94 | 2.73 | 10.04 | 6.80 |
| | Total Expenses | 523.07 | 71.56 | 577.02 | 89.29 | 201.85 | 111.80 | 158.84 | 107.73 |
| V | Profit before exceptional and extraordinary items and tax (III - IV) | 207.85 | 28.43 | 68.50 | 10.60 | (21.32) | (11.80) | (11.40) | (7.73) |
| VI | Exceptional items & Extraordinary | - | | | | | | | |

| | | | | | | | | | |
|-------------|---------------------------------------|---------------|--------------|--------------|--------------|----------------|----------------|----------------|---------------|
| | items | | | | | | | | |
| VII | Profit before tax(V + VI) | 207.85 | 28.43 | 68.50 | 10.60 | (21.32) | (11.80) | (11.40) | (7.73) |
| VIII | Tax expense: | | | | | | | | |
| | (a) Current tax | 54.10 | 7.40 | 17.48 | 2.70 | - | - | - | - |
| | (b) Mat Credit entitlement | - | - | - | - | - | - | - | - |
| | (c) Deferred tax | (0.06) | (0.008) | 0.18 | 0.027 | (0.02) | (0.01) | 0.89 | 0.60 |
| | Total tax expense | 54.04 | 7.39 | 17.66 | 2.73 | (0.02) | (0.01) | 0.89 | 0.60 |
| IX | Profit for the year (VII-VIII) | 153.81 | 21.04 | 50.84 | 7.86 | (21.30) | (11.79) | (12.28) | (8.32) |

SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been applied consistently to the periods presented in the Restated Financial Statements. For details of our significant accounting policies, please refer section titled "*Financial Information*" on page 92.

CHANGE IN ACCOUNTING POLICIES IN PREVIOUS 3 YEARS

Except as mentioned in chapter "*Financial Information*" on page 92, there has been no change in accounting policies in last 3 years.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

For details, see section titled "*Financial Information*" on page 92.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS ACCOUNT REVENUE

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

Comparison of Financial Year ended March 31, 2023 with Financial Year ended March 31, 2022

Revenue from Operations

Revenue from operation increased to ₹ 554.56/- Lakhs in FY 2022-23 as compared to ₹ 145.63/- Lakhs in FY 2021-22, due to increase in sale, representing an increase of 280%.

Other Income

Our other income increased to ₹ 91.66/- Lakhs in FY 2022-23 as compared to ₹ 34.90/- Lakhs in FY 2021-22. Other Income comprise mainly Interest and other misc. income, representing an increase of 162%.

Expenditure

Purchase of Stock-In-Trade

Purchase of stock-in-trade increased to ₹ 590.62/- Lakhs in FY 2022-23 as compared to ₹ nil in FY 2021-22, representing an increase of 590.62%. The increase is due to purchase during the year of traded goods.

Finance Cost

Finance Cost Expense decreased to ₹ 0.02/- Lakhs in financial year 2022-23 from ₹ 0.13/- Lakhs in financial year 2021-22 due to repayment of loans, representing a decrease of 84.61%.

Other Expenses

Our other expenses increased to ₹ 73.73/- Lakhs in financial year 2022-23 from ₹ 4.94/- Lakhs in financial year 2021-22. Other expense mainly includes Professional Expense, Audit Fees and other Business-related Expense, representing an increase of 1392.5%.

Depreciation

Depreciation decreased to ₹ 2.23/- lakhs in in financial year 2022-23 from ₹ 3.26/- Lakhs in financial year 2021-22, representing a decrease of 31.59%. This decreases as the company is following WDV method for calculation of depreciation.

Profit/Loss after Tax

For the reason discussed above, the Profit after tax during the Fiscal year 2023 was ₹ 50.84/- lakhs as compared to ₹ (21.30)/- Lakhs for the Fiscal 2022. The increase was due to better profit margins in the normal course of business, representing an increase of 338.68%.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in this Letter of Offer to our knowledge there are not any significant economic changes that materially affected or are likely to affect income from continuing operations.

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

Other than as disclosed in the section titled "*Risk Factors*" beginning on page 19 of this Letter of Offer to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

4. Future relationship between Costs and Income.

Our Company's future costs and revenues will be determined by demand/supply situation, government policies, subsidies available and prices of raw material.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased prices.

Increase in revenue is by and large linked to increases in volume of business activity by the Company.

Total turnover of each major industry segment in which the issuer company operates.

5. Status of any publicly announced new products/projects or business segments

Our Company has not announced any new projects or business segments, other than disclosed in the Letter of Offer.

6. The extent to which the business is seasonal

Our Company's business is not seasonal in nature.

7. **Any significant dependence on a single or few suppliers or customers**

There is no significant dependence on a single or few suppliers or customers

8. **Competitive Conditions**

We face competition from existing and potential organised and unorganized competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "***Our Business***" on page 77 of this Letter of Offer.

MARKET PRICE INFORMATION

The Equity Shares are listed on the BSE. The Rights Equity Shares will be listed on the Stock Exchanges pursuant to the Issue. For further details, please see "*Terms of the Issue*" on page 175 of this Letter of Offer. We have received in-principle approvals for listing of the Rights Equity Shares on the Stock Exchanges to be issued pursuant to the Issue from the BSE by letter dated May 02nd, 2024. Our Company will also make an application to BSE to obtain trading approval from the stock exchange 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 our 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 our Equity Shares, for the year, the month, or the week, as the case may be; and
4. In the 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 following table sets forth the high, low and average market prices of the Equity Shares recorded on the BSE during the preceding three years and the number of the Equity Shares traded on the days of the high and low prices were recorded.

| BSE | | | | | | | |
|---------|----------|----------------|---|---------|------------------|--|-------------|
| FY | High (₹) | Date of High | Volume on date of high (No. of Equity Shares) | Low (₹) | Date of Low | Volume on date of low (No. of Equity Shares) | Average (₹) |
| 2023-24 | 189.9 | April 03, 2023 | 2,10,996 | 1.49 | January 05, 2024 | 96,94,955 | 95.695 |
| 2022-23 | 105.9 | April 11, 2022 | 1,62,352 | 48.23 | March 29, 2023 | 37,745 | 77.065 |
| 2021-22 | 128.55 | July 22, 2021 | 4,19,470 | 46.2 | April 19, 2021 | 34,448 | 87.375 |

(Source: www.bseindia.com)

The high and low prices and volume of Equity Shares traded on the respective date on the BSE during the last six months preceding the date of filing of this Letter of Offer are as follows:

| BSE | | | | | | | |
|-------------|----------|----------------|---|---------|----------------|--|-------------|
| Monthly | High (₹) | Date of High | Volume on date of high (No. of Equity Shares) | Low (₹) | Date of Low | Volume on date of low (No. of Equity Shares) | Average (₹) |
| April, 2024 | 2.01 | April 09, 2024 | 35,28,408 | 1.68 | April 01, 2024 | 6,24,233 | 1.845 |
| March, 2024 | 2.14 | March 01, 2024 | 4,44,330 | 1.68 | March 28, 2024 | 9,89,264 | 1.91 |
| Feb, 2024 | 2.26 | Feb 27, 2024 | 30,88,987 | 1.76 | Feb 09, 2024 | 13,92,704 | 2.01 |
| Jan, 2024 | 2.13 | Jan 16, 2024 | 27,81,195 | 1.49 | Jan 05, 2024 | 96,94,955 | 1.81 |
| Dec, 2023 | 4.56 | Dec 01, 2023 | 16,73,253 | 1.89 | Dec 29, 2023 | 55,53,278 | 3.225 |
| Nov, 2023 | 7.68 | Nov 03, 2023 | 62,31,041 | 4.57 | Nov 30, 2023 | 17,02,821 | 6.125 |

(Source: www.bseindia.com)

The total number of days trading during the past six months was 123. The average volume of Equity Shares traded on the BSE was 41,00,598.593 Equity Shares.

This place has been left blank intentionally

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

*Our Company is subject to various legal proceedings from time to time, primarily arising in the ordinary course of business. There is no outstanding litigation which has been considered material in accordance with our Company's 'Policy for Determination of Materiality', framed in accordance with Regulation 30 of the SEBI Listing Regulations, and accordingly, there is no such outstanding litigation involving our Company that requires disclosure in this Letter of Offer. However, solely for the purpose of the Issue, the following outstanding litigations have been disclosed in this section of this Letter of Offer, to the extent applicable: any outstanding civil litigation, including tax litigation, involving our Company, where the amount involved is 5% of Turnover or Net Worth of the Company for the immediately preceding financial year ("**Materiality Threshold**") or above.*

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

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

I. Litigation involving our Company

A. Litigation filed against our Company

1. Criminal proceedings

Nil

2. Outstanding actions by regulatory and statutory authorities

Nil

3. Civil proceedings

Nil

4. Litigation/Matters involving Tax Liabilities

Nil

B. Litigation filed by our Company

1. Criminal proceedings

Nil

2. Civil proceedings

Nil

3. Litigation Involving Actions by Statutory/Regulatory Authorities

Nil

4. **Tax proceedings**

(in ₹ Lakhs)

| Particulars | No. of cases | Amount involved |
|--------------------|---------------------|------------------------|
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Total | Nil | Nil |

II. Litigation involving our Promoters

A. *Litigation filed against our Promoter*

1. **Criminal proceedings**

Nil

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

Nil

3. **Civil proceedings**

Nil

4. **Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

B. *Litigation filed by our Promoter*

5. **Criminal proceedings**

Nil

6. **Civil proceedings**

Nil

7. **Litigation Involving Actions by Statutory/Regulatory Authorities**

Nil

8. *Tax proceedings*

(in ₹)

| Particulars | No. of cases | Amount involved |
|--------------------|---------------------|------------------------|
| Direct Tax | Nil | Nil |
| Indirect Tax | Nil | Nil |
| Total | Nil | Nil |

III. Litigation involving our Directors

A. *Litigation filed against our Director*

1. **Criminal proceedings**
Nil
2. **Outstanding actions by regulatory and statutory authorities**
Nil
3. **Civil proceedings**
Nil
4. **Litigation Involving Actions by Statutory/Regulatory Authorities**
NIL

B. *Litigation filed by our Director*

1. **Criminal proceedings**
Nil
2. **Civil proceedings**
Nil
3. **Litigation Involving Actions by Statutory/Regulatory Authorities**
Nil
4. **Tax proceedings**

| | | | (in ₹) |
|--------------|--------------|-----------------|--------|
| Particulars | No. of cases | Amount involved | |
| Direct Tax | Nil | Nil | |
| Indirect Tax | Nil | Nil | |
| Total | Nil | Nil | |

IV. LITIGATION INVOLVING OUR SUBSIDIARIES

1. **Against Directors of the Subsidiary Company: NIL**
2. **By Directors of the Subsidiary Company: NIL**

V. Litigations Involving Company's Group Entities

1. **Against the Group Entities: NIL**
2. **By the Group Entities: NIL**

VI. Other litigations involving any other entities which may have a material adverse effect on the Company.

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against the company whose outcome could affect the operation or finances of the Company or have a material adverse effect on the position of the Company.

VII. Details of the past penalties imposed on the Company / Directors

Except as disclosed above, there are no cases in the last five years in which penalties have been imposed on the Company or Directors.

I. Outstanding dues to creditors

Details of outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), material creditors and other creditors, as at March 31, 2023, by our Company, are set out below:

| (₹ in lakhs) | |
|-------------------------------------|-----------------|
| Type of creditors | Amount involved |
| Micro, Small and Medium Enterprises | 0.68/- |
| Other creditors | 33.10/- |
| Total | 33.78/- |

Material Developments

Other than as stated in the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Material Developments Subsequent to March 31, 2023*" on page 155 of this Letter of Offer, there have not arisen, since the date of the last financial information disclosed in this Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect our operations, our profitability took as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER STATUTORY APPROVALS

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

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled "*Objects of the Issue*" on page 45 of this Letter of Offer.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

This Issue has been authorized through a resolution passed by our Board at its meeting held on December 28th, 2023 to raise funds by issuance and allotment of equity shares for an aggregate amount but not exceeding Rs. 49,75,00,000/- Crore (Rupees Forty-Nine Crore Seventy-Five Lacs only), by way of Right Issue, on such terms to be decided by the Board or a duly constituted committee of the Board at a later date, subject to the necessary approvals.

The Board of Directors, in its Meeting held on May 09th, 2024 has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ 1/- per Equity Share aggregating up to ₹ 4,975.00/- lakhs. The Issue Price is ₹ 1/- per Equity Share and has been arrived at by our Company in consultation with the Advisor to the Issue prior to the determination of the Record Date.

Our Company has received in-principle approval from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for a listing of the Equity Shares to be allotted in this Issue pursuant to their respective letters each dated May 02nd, 2024. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the INE714U20016 for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see "*Terms of the Issue*" beginning on page 175 of this Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

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

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

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

Prohibition by RBI

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

Compliance with Companies (Significant Beneficial Ownership) Rules, 2018

Our Company, our Promoter and the members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018 to the extent it may be applicable to them as on the date of this Letter of Offer.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) and (2) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for the listing of the Rights Equity Shares to be issued pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the Issue.

Compliance with Part B-1 of Schedule VI of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

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

However, in terms of Clause (3) of Part B of Schedule VI of the SEBI (ICDR) Regulations, the following issuers shall mandatorily make disclosures in the Letter of Offer/letter of offer as specified in Part B-1 of this Schedule:

(a) an issuer whose management has undergone any change pursuant to acquisition of control in accordance with the provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable and is making a rights issue of specified securities for the first time subsequent to such change and a period of three full years has not elapsed since such a change;

(b) an issuer whose specified securities have been listed consequent to the relaxation granted by the Board under sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957 for listing of its specified securities pursuant to a scheme sanctioned by a High Court under sections 391 to 394 of the Companies Act, 1956 or approved by a tribunal under sections 230-234 of the Companies Act, 2013, as applicable, and is making a rights issue of specified securities for the first time subsequent to such listing and a period of three full years has not elapsed since such listing.

Since the management of our Company has undergone change pursuant to the acquisition of control in accordance with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, during the financial year 2022-23, the disclosures contained in the Letter of Offer/Letter of Offer have been mandatorily made in terms of Part B-1 of Schedule VI of the SEBI (ICDR) Regulations.

DISCLAIMER CLAUSE OF SEBI

THE PRESENT ISSUE, BEING LESS THAN ₹ 5,000/- LAKHS, OUR COMPANY IS IN COMPLIANCE WITH FIRST PROVISION TO REGULATION 3 OF THE SEBI ICDR REGULATIONS AND OUR COMPANY SHALL FILE A COPY OF THE LETTER OF OFFER PREPARED IN ACCORDANCE WITH THE SEBI (ICDR) REGULATIONS WITH SEBI FOR INFORMATION AND DISSEMINATION ON THE WEBSITE OF SEBI FOR INFORMATIVE PURPOSES.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in this Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

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

Disclaimer in respect of Jurisdiction

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

Disclaimer Clause of BSE

BSE Limited ("**the Exchange**") has given *vide* its letter dated may 02nd, 2024 permission to this Company to use the Exchange's name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

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

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

Designated Stock Exchange

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

Listing

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

Selling Restrictions

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

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

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

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

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

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

NO OFFER IN THE UNITED STATES

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

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

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

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

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

NO OFFER OR INVITATION TO PURCHASE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES IS BEING MADE IN ANY JURISDICTION OUTSIDE OF INDIA, INCLUDING, BUT NOT LIMITED TO AUSTRALIA, BAHRAIN, CANADA, THE EUROPEAN ECONOMIC AREA, GHANA, HONG KONG, INDONESIA, JAPAN, KENYA, KUWAIT, MALAYSIA, NEW ZEALAND, SULTANATE OF OMAN, PEOPLE'S REPUBLIC OF CHINA, QATAR, SINGAPORE, SOUTH AFRICA, SWITZERLAND, THAILAND, THE UNITED ARAB EMIRATES, THE UNITED KINGDOM AND THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER

OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN ANY JURISDICTION OUTSIDE INDIA OR AS A SOLICIATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES. ACCORDINGLY, THIS LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO ANY OTHER JURISDICTION AT ANY TIME.

Consents

Consents in writing of: our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, legal advisor, Bankers to the Company, the Registrar to the Issue and the Bankers to the Issue to act in their respective capacities, have been obtained and such consents have not been withdrawn up to the date of this Letter of Offer.

Our Company has received written consent dated January 16th, 2024 from our Statutory Auditor to include their name in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated March 16th, 2024 in the form and context in which it appears in this Letter of Offer. Such consent has not been withdrawn up to the date of this Letter of Offer.

Expert Opinion

Our Company has received written consent dated January 16th, 2024 from our Statutory Auditor to include their name as required in this Letter of Offer and as an 'expert' as defined under Section 2(38) of the Companies Act, 2013 in relation to the Statement of Tax Benefits dated March 16th, 2024 and such consent has not been withdrawn as of the date of this Letter of Offer. The term 'expert' and consent thereof, does not represent an expert or consent within the meaning under the U.S. Securities Act.

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

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

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

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

Our Company does not have any listed subsidiaries or associate companies as on the date of this Letter of Offer. Our Company has 1 private subsidiary. Further, there have been no instances in the past.

Stock Market Data of the Equity Shares

Our Equity Shares are listed on BSE. Our Equity Shares are traded on BSE. For details in connection with the stock market data of the Stock Exchanges, please refer to the chapter titled "**Market Price Information**" beginning on page 160 of this Letter of Offer.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY,

THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS IS SUE WILL BE DEEMED TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

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

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular No. CIR/ OIAE/ 2/ 2011 dated June 3, 2011 and shall comply with the SEBI circular no. CIR/OIAE/1/2014 dated December 18, 2014 and the SEBI Master Circular on the redressal of investor grievances through the SEBI Complaints Redress System (SCORES) platform dated November 7, 2022 (SEBI circular no. SEBI/HO/OIAE/IGRD/P/CIR/2022/0150), in relation to redressal of investor grievances through SCORES. Consequently, investor grievances are tracked online by our Company.

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

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

Investors may contact the Registrar or our Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip (in case of ASBA process). For details on the ASBA process, see "*Terms of the Issue*" beginning on page 175 of this Letter of Offer. The contact details of Registrar to the Issue and our Company Secretary and Compliance Officer are as follows:

Registrar to the Company:

Name: Skyline Financial Services Private Limited
Address: D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020
Telephone Number: 011-40450193/97
Contact person: Mr. Anuj Rana
Website: www.skylinerta.com
E-mail: Info@skylinerta.com

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

Mr. Rahul Pitaliya, Company Secretary and Compliance Officer of our Company. His contact details are set forth hereunder:

Telephone: +91 7990080239
E- mail: iflenterprice3@gmail.com

This place has been left blank intentionally

SECTION VII – OFFERING INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Eligible Equity Shareholders proposing to apply in this Issue. The Eligible Equity Shareholders should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. The Eligible Equity Shareholders are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and the Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Relaxation Circulars, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

OVERVIEW

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI LODR Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice.

IMPORTANT

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations, the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

(i) our Company at www.iflenterprises.com ;

- (ii) the Registrar at www.skylinerta.com ;
- (iii) the Stock Exchanges at www.bseindia.com ; and

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e. www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.iflenterprises.com).

Please note that neither our Company nor the Registrar shall be responsible 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 or 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 e-mail 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.

The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of 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 is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and 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 and as permitted under the 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, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. 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 Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Equity Shares offered in the Issue, will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

II. PROCESS OF MAKING AN APPLICATION IN THE ISSUE

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

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat

suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” below.

Please note that one single Application Form shall be used by Shareholders to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Shareholders who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Shareholders will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Shareholders are required to submit a separate Application Form for each demat account.

Shareholders may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Shareholders 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.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “**Grounds for Technical Rejection**” below. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, the Eligible Equity Shareholders may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and 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 “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” below.

➤ **Options available to the Eligible Equity Shareholders**

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full.

➤ **Making of an Application through the ASBA process**

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

Shareholders should ensure that they have correctly submitted the Application Form and have 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.

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>. Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

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.

Do's for Shareholders applying through ASBA:

- (a) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the 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 Equity Shares (including additional Equity Shares) applied for} X {Application Money of 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 Form 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 Shareholders 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(s) (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 upon making the Application.
- (d) Do not submit Application Form using third party ASBA account.

➤ **Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process**

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

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.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (a) Name of our Company, being IFL Enterprises Limited;
- (i) 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);
- (ii) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP and Client ID;
- (iii) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the 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 Equity Shares applied for pursuant to this Issue
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option – only dematerialised form;
- (vi) Number of Equity Shares entitled to;
- (vii) Number of Equity Shares applied for within the Rights Entitlements;
- (viii) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- (ix) Total number of Equity Shares applied for;
- (x) Total amount paid at the rate of Rs. 1/- per Equity Share;
- (xi) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- (xii) In case of non-resident 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;
- (xiii) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xiv) 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); and
- (xv) All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We will not offer, sell or otherwise transfer any of the Rights 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 Shareholders 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 Rights Equity Shares is/ are, outside the U.S., (ii) am/ are not a “U.S. Person” as defined in (“Regulation S”), and (iii) is/ are acquiring the Rights Entitlement and/ or the Rights Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company will rely upon the truth and accuracy of the foregoing representations and agreements.”

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where a Shareholders submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Shareholders 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 Shareholders. The plain paper Application format will be available on the website of the Registrar at www.skylinerta.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Shareholders’ ASBA Accounts on or before the Issue Closing Date.

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

Prior to the Issue Opening Date, the Rights Entitlements of those 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.

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

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either through email to the RTA at ipo@skylinerta.com or by 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;

(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;

(c) The remaining procedure for Application shall be same as set out in “- Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application through ASBA process.

Application for Additional Equity Shares

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

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

Additional general instructions for Shareholders in relation to making of an application

(a) Please read the Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” mentioned above.

(d) 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) 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.

(e) Applications should not be submitted to the Banker(s) to the Issue or Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar.

(f) 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 Shareholders for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Equity Shares pursuant to this Issue shall be made into the accounts of such Shareholders.

(g) 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. Shareholders applying under this Issue should note that on the basis of name of the Shareholders, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Shareholders 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 Shareholders including mailing of the letters intimating unblocking of bank account of the respective Shareholders and/or refund. The Demographic Details given by the Shareholders in the Application Form would not be used for any other purposes by the Registrar. Hence, Shareholders are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Shareholders as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Shareholders. Please note that any such delay shall be at the sole risk of the Shareholders and none of our Company, the SCSBs and Registrar shall be liable to compensate the Shareholders 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 Shareholders (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.

(h) By signing the Application Forms, Shareholders would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

(i) 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 Shareholders must sign the Application as per the specimen signature recorded with the SCSB.

(j) Shareholders should provide correct DP ID and Client ID/ Folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) 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. Shareholders will be solely responsible for any error or inaccurate detail provided in the Application. Our Company and SCSBs or the Registrar will not be liable for any such rejections.

(k) 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.

(l) All communication in connection with Application for the Equity Shares, including any change in contact details 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 number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(m) Shareholders are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(n) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(o) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(p) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(q) Do not pay the Application Money in cash, by money order, pay order or postal order.

(r) Do not submit multiple Applications.

(s) No investment under the FDI route (i.e. any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

(t) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

➤ **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.

(b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

(c) Sending an Application to our Company, Registrar, Escrow Collection Bank(s) (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB.

(d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(f) Account holder not signing the Application or declaration mentioned therein.

(g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.

(h) Multiple Application Forms, including cases where a Shareholders submits Application Forms along with a plain paper Application.

(i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.

(k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(l) Application Forms which are not submitted by the Shareholders within the time periods prescribed in the Application Form and the Letter of Offer.

(m) Physical Application Forms not duly signed by the sole or joint Shareholders, as applicable.

(n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand.

(o) If a Shareholders 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 Shareholders to subscribe to their Rights Entitlements.

(p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and QPs) or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-U.S. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.

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

(r) Application from Shareholders that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).

Applications by non-resident Shareholders.

(a) Payment from third party bank accounts.

➤ **Multiple Applications**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Shareholders and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further supplementary Applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see “**Procedure for Applications by Mutual Funds**” mentioned below.

In cases where Multiple Application Forms are submitted, including cases where (a) an Shareholders submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoter or members of the Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in “Capital Structure - Intention and extent of participation by our Promoter” mentioned above.

➤ **Procedure for Applications by certain categories of Shareholders**

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its Shareholders group (which means multiple entities registered as foreign portfolio Shareholders and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or Shareholders group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or Shareholders group will be re-classified as FDI subject to the conditions as specified by SEBI and RBI in this regard and our Company and the Shareholders will also be required to comply with applicable reporting requirements.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. FPIs who wish to participate in the Issue are advised to use the Application 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, an FPI 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 registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with ‘know your client’ norms; and (iii) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

1. such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
2. prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

No investment under the FDI route will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the 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. Further, 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.

No investment under the FDI route (i.e any investment which would result in the Shareholders holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the Shareholders to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any allotments made by relying on such approvals.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporate in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Shareholders”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Shareholders will also require prior approval of the Government of India and each Shareholders should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Shareholders shall intimate our Company and the Registrar about such approval within the Issue Period.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is,

Tuesday, 25th June, 2024, i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before 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 set out in “Basis of Allotment” mentioned below.

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.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Shareholders can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

Shareholders who have applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Shareholders applying through ASBA facility, may withdraw their Application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches 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. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received/ASBA Accounts of the Shareholders within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

III. CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

➤ Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the

website of the Registrar (i.e., www.skylinerta.com) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.iflenterprises.com).

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE714U20016. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. <https://www.skylinerta.com>). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the IEPF authority; or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) 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 (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

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 our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by Tuesday, 25th June, 2024 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 our Company or the Registrar account is active to facilitate the aforementioned transfer.

IV. RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

➤ Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

➤ Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favor of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

➤ Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “On Market Renunciation”); or (b) through an off-market transfer (the “Off Market Renunciation”), during the Renunciation Period. The Shareholders should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Shareholders may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Shareholders 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.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Shareholders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Shareholders.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock 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 INE714U20016 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Monday, 27th May, 2024 to Thursday, 20th June, 2024 (both days inclusive).

The Shareholders 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 INE714U20016 and indicating the details of the Rights Entitlements they intend to trade.

The Shareholders can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and 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 Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in 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 to enable Renounees to subscribe to the Equity Shares in the Issue.

The Shareholders 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 INE714U20016, 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 Shareholders 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.

V. MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through the ASBA facility, the Shareholders agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Shareholders' ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Shareholders in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in the Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

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.

Mode of payment for Resident Shareholders

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Shareholders

As regards the Application by non-resident Shareholders, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares.

VI. BASIS FOR THIS ISSUE AND TERMS OF THIS ISSUE

The Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see “The Issue” beginning on mentioned above.

➤ Fractional Entitlements

Since the Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 198:100 (One Hundred Ninety-Eight) for every (One Hundred) Equity Share(s) held as on the Record Date. For Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 100 (One Hundred) Equity Shares or not in the multiple of 100 (One Hundred) 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, will be given preferential consideration for the allotment of one additional Equity Share each if they apply for additional Equity Shares over and above their Rights Entitlement, if any.

Further, the Eligible Equity Shareholders holding 1 Equity Shares shall have entitlement of atleast 1 Equity Share in the Issue.

➤ Ranking

The Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

➤ Listing and trading of the Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number LOD/RIGHT/AB/FIP/195/2023-24 dated May 02nd, 2024. Our Company will apply to BSE for final approvals for the listing and trading of the Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under this Issue will trade after the listing thereof.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 540377) under the ISIN: INE714U01024. The Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Equity Shares shall be debited from such temporary ISIN and credited to the regular ISIN for the Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Equity Shares issued pursuant to this Issue shall be based on the current

regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

➤ **Subscription to this Issue by our Promoter and members of the Promoter Group**

For details of the intent and extent of subscription by our Promoter and members of the Promoter Group, see “Capital Structure - Intention and extent of participation by our Promoter” mentioned above.

➤ **Rights of Holders of Equity Shares of our Company**

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- a. The right to receive dividend, if declared;
- b. The right to receive surplus on liquidation;
- c. The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d. The right to free transferability of Equity Shares;
- e. The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law and as disclosed in the Letter of Offer; and
- f. Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

➤ **Market Lot**

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is One Equity Share.

➤ **Joint Holders**

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in this Issue.

➤ **Nomination**

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with the respective DPs of the Shareholders would prevail. Any Shareholders holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

➤ **Arrangements for Disposal of Odd Lots**

The Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be One Equity Share and hence, no arrangements for disposal of odd lots are required.

➤ **Notices**

In accordance with the SEBI (ICDR) Regulations and the SEBI Relaxation Circulars, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material 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 Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer 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 Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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 and one Hindi language national daily newspaper with wide circulation being the regional language of Ahmedabad, where our Registered Office is situated.

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.

➤ **Offer to Non-Resident Eligible Equity Shareholders/Shareholders**

As per Rule 7 of the FEMA Rules, RBI has given general permission to Indian companies to issue Equity Shares to non-resident Equity Shareholders including additional Equity Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Shareholders has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at www.skylinerta.com. It will be the sole responsibility of the Shareholders to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Equity Shares may be permitted under laws of such jurisdictions, Eligible Equity Shareholders can access the Letter Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, and the Stock Exchanges. Further, Application Forms will be made available at Registered office of our Company for the non-resident Indian Applicants. Our Board may at its absolute

discretion, agree to such terms and conditions as may be stipulated by RBI while approving the Allotment. The Equity Shares purchased by non- residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of Shareholders and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Shareholders being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self- attested proof of address, passport, etc. at email id:

ALLOTMENT OF THE EQUITY SHARES IN DEMATERIALIZED FORM.

PLEASE NOTE THAT THE 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 SHAREHOLDERS ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” AS MENTIONED ABOVE.

VIII. ISSUE SCHEDULE

| | |
|---|---------------------------|
| LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENT | Thursday, 23rd May, 2024 |
| ISSUE OPENING DATE | Monday, 27th May, 2024 |
| LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS# | Thursday, 20th June, 2024 |
| ISSUE CLOSING DATE* | Tuesday, 25th June, 2024 |
| FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT) | Wednesday, 3rd July, 2024 |
| DATE OF ALLOTMENT (ON OR ABOUT) | Wednesday, 3rd July, 2024 |
| DATE OF CREDIT (ON OR ABOUT) | Monday, 08th July, 2024 |
| DATE OF LISTING (ON OR ABOUT) | Thursday, 11th July, 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 Renounees on or prior to the Issue Closing Date.

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., Tuesday, 25th June, 2024 to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., Tuesday, 25th June, 2024.

IX. BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to allot the Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Equity Shares renounced in their favour, in full or in part.
- b) Allotment to the Eligible Equity Shareholders who having applied for all the Equity Shares offered to them as part of this Issue, have also applied for additional Equity Shares. The Allotment of such additional 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 Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- c) Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such 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.
- d) Allotment to any other person, subject to applicable laws, 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 Controlling Branches, a list of the Shareholders who have been allocated Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

X. ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Allotment advice, refund intimations or demat credit of securities and/or letters of regret will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them; along with crediting the Allotted Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 4 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the

depository system and the Allotment advice shall be sent, through an e-mail, to the e-mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Shareholders who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

XI. PAYMENT OF REFUND

➤ Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through Unblocking amounts blocked using ASBA facility.

➤ Refund payment to non-residents

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

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

➤ Receipt of the Equity Shares in Dematerialized Form

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

PLEASE NOTE THAT THE 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 SHAREHOLDERS 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.

Shareholders shall be allotted the Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated August 10, 2015 with NSDL and an agreement dated August 03, 2023 with CDSL which enables the Shareholders to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

SHAREHOLDERS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

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

1. 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 Shareholders having

various folios in our Company with different joint holders, the Shareholders will have to open separate accounts for such holdings. Those Shareholders who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Shareholders and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Shareholders depository participant, would rest with the Shareholders. Shareholders' should ensure that the names of the Shareholders and the order in which they appear in Application Form should be the same as registered with the Shareholders' depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Shareholders will not get any Equity Shares and the Application Form will be rejected.
5. The 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 e-mail 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 Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Shareholders by the Registrar, by e-mail and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

XIII. IMPERSONATION

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

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or 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 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 Rs. 0.1/- crore or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 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. In case the fraud involves (i) an amount which is less than Rs. 0.1/- crore or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to Rs. 0.5/- crore or with both.

XIV. UTILISATION OF ISSUE PROCEEDS

Our Board declares that:

- A. All monies received out of this Issue shall be transferred to a separate bank account;
- B. Details of all monies utilized out of this Issue referred to under (A) above shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- C. Details of all unutilized monies out of this Issue referred to under (A) above, 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.

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken by our Board within seven Working Days of finalization of Basis of Allotment.
3. The funds required for making refunds / unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Shareholders within 4 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
5. In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
6. Adequate arrangements shall be made to collect all ASBA Applications.
7. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

XVI. SHAREHOLDERS GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

- 1) Please read the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
- 2) All enquiries in connection with the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date or the DP ID 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 “**IFL ENTERPRISES LIMITED – RIGHTS ISSUE**” on the envelope and postmarked in India or in the e- mail) to the Registrar at the following address:

Skyline Financial Services Private Limited

D-153A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020

Telephone: 011-40450193/97

Email: ipo@skylinerta.com,

Website: www.skylinerta.com

Investor grievance e-mail: grievances@skylinerta.com

SEBI Registration No.: INR000003241;

Validity of Registration: Permanent

Contact Person: Mr. Anuj Rana

- 3) In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders will be available on the website of the Registrar www.skylinerta.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is 011- 42541952.
- 4) The Shareholders can visit following links for the below-mentioned purposes:
 - a) Frequently asked questions and online/ electronic dedicated Shareholders helpdesk for guidance on the Application process and resolution of difficulties faced by the Shareholders: www.skylinerta.com
 - b) Updation of Indian address/ e-mail address/ phone or mobile number in the records maintained by the Registrar or our Company: www.skylinerta.com
 - c) Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: www.skylinerta.comSubmission of self-attested PAN, client master sheet and demat account details by non- resident Eligible

Equity Shareholders at email id at ipo@skylinerta.com.

This Issue will remain open for a minimum 07 (Seven) days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 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 Consolidated FDI Policy and FEMA. The FDI Policy prescribes the limits and conditions subject to which foreign investment can be made in different sectors of the Indian economy and FEMA regulates the precise manner in which such investment may be made.

The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. Pursuant to the press release dated May 24, 2017, the Union Cabinet phased out the FIPB and it was replaced by the Foreign Investment Facilitation Portal (FIFP) to speed up the FDI inflow and to increase the transparency in the FDI approvals in the country. The DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "SOP"). The SOP provides a list of the competent authorities to grant approvals for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under the automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned Administrative Ministry/Department shall act as the competent authority (the "Competent Authority") for the grant of post facto approval for foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP will identify the Competent Authority.

The Government of India, from time to time, has made policy pronouncements on Foreign Direct Investment ("FDI") through press notes and press releases. The DIPP, has issued a consolidated FDI Policy DPIIT File Number 5(2)/2020-FDI Policy Dated the October 15, 2020 ("FDI Policy 2020"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI policy issued by the DIPP that were in force till that date. The Government of India proposes to update the consolidated circular on FDI policy once every year and therefore, the FDI Policy 2020 will be valid until the DIPP issues an updated circular.

Under the FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to 100% without any prior approvals, however the foreign investor must follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("FDI") and approval from the Government of India will now be handled by the FIFP.

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

As per the extant policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been derecognised as a class of investor entity in India with effect from September 16, 2003.

Overseas Corporate Body means a company, partnership firm, society and other corporate body owned directly or indirectly to the extent of at least sixty per cent by Non- Resident Indians and includes overseas trust in which not less than sixty percent beneficial interest is held by Non-resident Indians directly or indirectly but irrevocably, which was in existence as on September 16, 2003 and was eligible to undertake transactions pursuant to the general permission granted under FEMA. Any investment made in India by such entities will be treated as investments by incorporated non-resident entities, i.e. a foreign company.

The Issue, if renounced by our shareholders, may include offers within India, to Indian institutional, non-institutional and retail investors in offshore transactions as defined in, and made in reliance upon exemptions from the registration requirements under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), including the exemption under Regulation S ("Regulation S") of the U.S. Securities Act. The above information is given for the benefit of the Applicants / Investors. Our Company 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 Equity Shares applied for do not exceed the applicable limits under laws or regulations.

This place has been left blank intentionally

SECTION VIII – STATUTORY AND OTHER INFORMATION

Please note that the Rights Equity Shares applied for under this Issue can be allotted only in dematerialized form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date.

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, would be available on the website of the Company www.iflenterprises.com in from the date of this Letter of Offer until the Issue Closing Date.

1. Material Contracts for the Issue

- (i) Registrar Agreement dated May 09th, 2024 between our Company and the Registrar to the Issue.
- (ii) Bankers to the Issue Agreement dated May 09th, 2024 among our Company, the Registrar to the Issue and the Bankers to the Issue.
- (iii) Tripartite Agreement between our Company, NSDL and the Registrar to the Company.
- (iv) Tripartite Agreement between our Company, CDSL and the Registrar to the Company.
- (vi) Escrow Agreement dated May 09th, 2024 amongst our Company, the Registrar to the Issue and the Bankers to the Issue/ Refund Bank.

2. Material Documents

1. Certified true copy of Certificate of Incorporation, the Memorandum of Association and Articles of Association of our Company, as amended.
2. Resolutions of the Board of Directors dated December 28, 2023 in relation to the Issue and other related matters.
3. Copies of Annual Reports of our Company for the Financial Year ending March 31, 2023, March 31, 2022, March 31, 2021.
4. Copy of the Resolution of Meeting of the board of directors dated May 09th, 2024 finalizing the terms of the Issue including Issue Price and the Rights Entitlement Ratio.
5. Resolution of Meeting of the board of directors dated May 09th, 2024 approving the Letter of Offer.
6. Consents of our Promoters, Directors, Company Secretary and Compliance Officer, Statutory Auditors, Bankers to our Company, Bankers to the Issue, Legal Advisor 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.
7. Statement of Tax Benefits dated March 16th, 2024 for our Company from the Statutory Auditors of our Company.
8. Audit Report for the financial year ending on March 31, 2023, March 31, 2022 and March 31, 2021.
9. In-principle approval issued by BSE dated May 02nd, 2024.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

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

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/-

Jitendra Vaishnav
(Managing Director)

Sd/-

Samad Ahmed Khan
(Non-Executive Independent Director)

Sd/-

Vinaben Kanaiyalal Joshi
(Non-Executive Non-Independent Director)

Sd/-

Falguni Mehal Raval
(Non-Executive Independent Director)

SIGNED BY THE COMPANY SECRETARY AND CHIEF FINANCIAL OFFICER OF OUR COMPANY:

Sd/-

Rahul Pitaliya
(Company Secretary and Compliance Officer)

Sd/-

Jitendra Vaishnav
(Chief Financial Officer)

Date: May 09th, 2024
Place: Ahmedabad