



SALEM ERODE INVESTMENTS LIMITED

Our Company was incorporated as 'The Salem Erode Electricity Distribution Company Limited', a public limited company under the Indian Companies Act, 1913, vide certificate of incorporation dated May 16, 1931, issued by the Registrar of Companies, West Bengal. Our Company was granted the certificate of commencement of business dated June 22, 1931. Subsequently, the name of our company was changed to 'Salem Erode Tea & Investment Company Limited', and a fresh certificate of incorporation reflecting the change was issued on November 28, 1975, by Registrar of Companies, West Bengal. Subsequently, the name of our company was further changed to 'Salem Erode Investments Limited' and a fresh certificate of incorporation dated July 24, 1992 was issued by Registrar of Companies, West Bengal. For further details please refer to the section titled "General Information" beginning on page 47 of this Draft Letter of offer.

Registered Office: Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai - 600083, Tamil Nadu, India.

Corporate Office: Second Floor, V.K.K. Building, Main Road, Irinjalakuda, Thrissur - 680121, Kerala, India.

CIN: L31200TN1931PLC145816 | **Telephone:** 04446053887 | **Email:** cs@salemrode.com | **Website:** www.salemrode.com

Compliance Officer and Contact Person: Visakh Thazhathu Veedu, Company Secretary and Compliance Officer

OUR PROMOTER: ICL FINCORP LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF SALEM ERODE INVESTMENTS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

RIGHTS ISSUE OF UP TO [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹1/- (RUPEES ONE ONLY) EACH OF OUR COMPANY ("RIGHTS EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] (RUPEES [●] ONLY) EACH INCLUDING A SHARE PREMIUM OF ₹ [●] (RUPEES [●] ONLY) PER RIGHTS EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO AN AMOUNT OF UP TO ₹ 2,293.10 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARES FOR EVERY [●] FULLY PAID UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●], [●], 2026 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 76 OF THIS DRAFT LETTER OF OFFER.

*Assuming full subscription in the Issue. Subject to finalisation of Basis of Allotment.

WILFUL DEFAULTERS OR FRAUDULENT BORROWER

NEITHER OUR COMPANY NOR OUR PROMOTER OR ANY OF OUR DIRECTORS ARE CATEGORISED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER BY RBI OR ANY OTHER GOVERNMENTAL AUTHORITY

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and Investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking any 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 Rights Equity Shares 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 Draft Letter of Offer. **Specific attention of the Investors is invited to statement of "Risk Factors" given on page 22 of this Draft Letter of Offer.**

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("BSE" or "Stock Exchange"). Our Company has received an "in-principle" approval from BSE for listing of the Rights Equity Shares to be allotted pursuant to this Issue *vide* letter dated [●]. Our Company will also make an application to the Stock Exchange to obtain the trading approval for the Rights Entitlements as required under the SEBI master circular bearing reference number – HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 09, 2026. BSE shall be the Designated Stock Exchange for the purpose of this Issue.

REGISTRAR TO THE ISSUE



Cameo Corporate Services Limited
Subramanian Building, No. 1, Club House Road,
Mount Road, Chennai 600 002, Tamil Nadu, India.
Tel. No.: +91 44 4002 0700 / 2846 0390
Email: rights@cameoindia.com
Website: www.cameoindia.com
Investor grievance email: investor@cameoindia.com
Contact person: K. Sree Priya
Sebi Reg. No.: INR000003753
CIN: U67120TN1998PLC041613

ISSUE SCHEDULE

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION OF RIGHTS ENTITLEMENTS*	[●]
ISSUE CLOSING DATE**	[●]
FINALISATION OF BASIS OF ALLOTMENT	[●]
DATE OF ALLOTMENT	[●]
DATE OF CREDIT OF RIGHTS EQUITY SHARES	[●]
DATE OF LISTING	[●]

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

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

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

Unless the context otherwise requires, the terms defined, and abbreviations expanded below shall have the same meaning as stated in this chapter. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto. In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to ‘the/our Company’, ‘we’, ‘our’, ‘us’ or similar terms are to Salem Erode Investments Limited as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders in this Rights Issue of Equity Shares.

*The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the chapters titled “**Statement of Special Tax Benefits**” “**Financial Information**” and “**Terms of the Issue**” on pages 58, 64 and 76 respectively, shall have the meaning assigned to the terms in the respective chapters.*

Conventional or General Terms

Terms	Description
“Salem Erode Investments Limited” or “the Company” or “our Company” or “the Issuer” or “SEIL”	Salem Erode Investments Limited, a public limited company, bearing CIN: L31200TN1931PLC145816, incorporated under the provisions of the Indian Companies Act, 1913 and having its Registered Office at Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai, Tamil Nadu, India, 600083.
“We” or “Us” or “Our”	Unless the context otherwise indicates or implies or unless otherwise specified, refers to “Salem Erode Investments Limited”.

Company Related Terms

Terms	Description
Articles/Articles of Association/ AoA	The Articles of Association of our Company as amended from time to time.
Audit Committee	The committee of our Board of Directors duly constituted as the audit committee in accordance with Section 177 of the Companies Act, 2013.
Audited Financial Statements/ Audited Standalone Financial Statements	The audited standalone financial statements of our Company for the financial year ended March 31, 2025 which comprises of the standalone balance sheet as at March 31, 2025, the standalone statement of profit and loss including other comprehensive income, the standalone cash flow statement, the standalone statement of changes in equity for the year ended March 31, 2025, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. For details, see “ Financial Information ” on page 64 of this Draft Letter of Offer.
Auditors / Statutory Auditors	The Statutory Auditors of our Company for the year 2025-26 being Mohandas & Associates, Chartered Accountant having office at 3 rd Floor, “Sree Residency”, Press Club Road, Thrissur -680001, Kerela, India.
Board / Board of Directors/	The Board of Directors of our Company.
“Chief Financial Officer” or “CFO”	The chief financial officer of our Company, Madhavankutty Thekkedath.
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shareholders	Holder(s) of Equity Share(s), from time to time
Equity Shares / Shares	Equity Shares of face value ₹1/- each of our Company.
Executive Director(s)	Managing Director/Whole-time Directors/ Executive Directors on our Board

Terms	Description
Face Value	The nominal value of the Equity Share as stated on the share certificate (₹1/- in this Issue).
Financial Statements	Audited Financial Statements and Unaudited Financial Results.
Independent Director	Independent Directors on the Board, who are eligible to be appointed as Independent Directors under the provisions of the Companies Act, 2013. For details of the Independent Directors, please refer to " Our Management and Organisation Structure " beginning on page 62 this Draft Letter of Offer.
ISIN	International Securities Identification Number being INE894E01028.
Key Managerial Personnel(s)/ KMP(s)	Key Managerial Personnel(s) of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations being Kuzhuppilly Govinda Menon Anilkumar, Managing Director, Madhavankutty Thekkedath, Chief Financial Officer and Thazhathu Veedu Visakh, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company.
“Managing Director” or “MD”	The managing director of our Company being Kuzhuppilly Govinda Menon Anilkumar.
Materiality Policy	Policy on determination of materiality of events adopted by our Company in accordance with Regulation 30 of the SEBI Listing Regulations.
Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time.
Non-Executive Director(s)	The non-executive Directors of our Company, appointed as per the Companies Act, 2013.
Promoter(s)	The promoter of our Company being, ICL Fincorp Limited.
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed by our Company in the filings made with the Stock Exchange under the SEBI Listing Regulations.
Registered Office	Registered office of our Company situated at Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai, Tamil Nadu, India, 600083.
Registrar of Companies / ROC	Registrar of Companies, Chennai, Tamil Nadu, located at Block No.6, B Wing, 2nd Floor, Shastrri Bhawan 26, Haddows Road, Chennai-600034, Tamil Nadu.
Rights Entitlements ISIN	ISIN number [●], allocated specifically for the Rights Entitlement during the Issue.
Unaudited Consolidated Financial Results / Unaudited Financial Results	The unaudited standalone financial results of our Company for the nine months period ended December 31, 2025, including the notes thereto and the report thereon, prepared in accordance with the Companies Act, 2013 and SEBI Listing Regulations. For details, see " Financial Information " on page 64 of this Draft Letter of Offer.
Share Issue Committee	The committee formed by the Board to handle matters related to the Rights Issue, consisting of Kuzhuppilly Govinda Menon Anilkumar, Managing Director, Umadevi Anilkumar, Non Executive Director, Shinto Stanly, Independent Director and Ambadath Aiyappan Balan, Independent Director.
Senior Management Personnel	Senior management personnel of our Company determined in accordance with Regulation 2(1) (bbbb) of the SEBI ICDR Regulations and as described in " Our Management and Organisation Structure " beginning on page 62 of this Draft Letter of Offer.
Stakeholders’ Relationship Committee	The stakeholders’ relationship committee of our Board as described in " Our Management and Organisation Structure " beginning on page 62 of this Draft Letter of Offer.

Issue Related Terms

Term	Description
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 / Allotted /Allotment of Rights Equity Shares	The Allotment of Rights Equity Shares pursuant to the Issue.
Allotment Account(s)	The account opened with the Banker(s) to the Issue, into which amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Account Bank	Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Allotment Account(s) will be opened, in this case being, [●].
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Rights Equity Shares after the basis of allotment has been approved by the BSE.
Allotment Date / Date of Allotment	The date on which Allotment is made pursuant to the Issue.
Allottee(s)	Persons to whom Rights Equity Shares of our Company are Allotted pursuant to this Issue.
Applicant(s) /Investor(s)	Eligible Equity Shareholder(s) and / or Renounce(s) and / or Specific investors who are entitled to make an application for the Rights Equity Shares issued pursuant to the Issue in terms of this Draft Letter of Offer.
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online /electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form / Common Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application 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 the Rights Equity Shares in the Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the Application Form or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper application.
ASBA Applicants / ASBA Investors	Applicants / Investors who make Application in this Issue using the ASBA Process
Banker to our Company	The Bankers to our company being Axis Bank Limited.
Banker to the Issue Agreement	Agreement dated [●] entered into by and amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicant/Investors, transfer of funds to the Allotment Account and where applicable, refunds of the amounts collected from Applicants/Investors, on the terms and conditions thereof.
Bankers to the Issue / Escrow Collection Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●].
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under this

Term	Description
	Issue, as described in “ <i>Terms of the Issue</i> ” on page 76 of this Draft Letter of Offer.
Client ID	The unique identification number assigned to a demat account by the Depository Participant.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and/or such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor’s address, name of the Investor’s father/husband, investor status, PAN, DP ID, Client ID, occupation and bank account details, where applicable.
Depository	NSDL and CDSL or any other depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 2018, as amended from time to time, read with the Depositories Act, 1996.
Designated Branches	Such branches of the SCSBs which shall collect the Application Form submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Letter of Offer / DLOF	This draft letter of offer dated March 26, 2026 filed with the Stock Exchange prepared in accordance with SEBI ICDR Regulations.
Eligible Equity Shareholders / Eligible Shareholders/	Equity Shareholders as on the Record Date i.e., [●]. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders, including any shareholder located in the United States. For further details, see “ <i>Notice to Investors</i> ” on page 13 of this Draft Letter of Offer.
Entitlement Letter/ Rights Entitlement Letter	A letter to be dispatched by the Registrar to all Eligible Equity Shareholders as on the Record Date which will contain details of their Rights Entitlements based on their shareholdings as on the Record Date i.e., [●]. The Rights Entitlements are also accessible on the website of our Company and Registrar.
Equity Shareholder(s) / Shareholder(s)	The holders of Equity Shares of our Company.
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors.
"Escrow Collection Bank", "Allotment Account Bank(s)" or "Refund Bank(s)"	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, Axis Bank Limited.
Fractional Entitlement	Refers to the situation where shareholders are not entitled to a whole number of shares in a rights issue.
General Corporate Purposes	General corporate purposes shall have the meaning as determined in Regulation 2(1)(r) of the SEBI ICDR Regulations.
Issue / the Issue / this Issue / Rights Issue	Issue of up to [●] Rights Equity Shares of face value of ₹1 each of our Company for cash at a price of ₹ [●]/- per Rights Equity Share (including a share premium of ₹ [●] per Rights Equity Share) aggregating up to ₹2,293.10 lakhs* on a rights basis to the Eligible Equity Shareholders of our Company in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held by the Eligible Equity Shareholders on the Record Date i.e. [●], [●], 2026. <i>*Assuming full subscription</i>
Issue Closing Date	[●]
Issue Material	Collectively, Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue.

Term	Description
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Application, in accordance with the SEBI ICDR Regulations.
Issue Price	₹[●] per Rights Equity Share (including a share premium of ₹[●] per Rights Equity Share). On Application, investors will have to pay ₹[●] per Rights Equity Share which constitutes 100% of the Issue Price.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to [●] Rights Equity Shares aggregating up to ₹ 2,293.10 Lakhs*. <i>*Assuming full subscription</i>
Letter of Offer / LOF	The final letter of offer dated [●] to be filed with the Stock Exchange and SEBI
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchange in terms of the SEBI Listing Regulations.
Monitoring Agency	CARE Ratings Limited
Monitoring Agency Agreement	Agreement dated [●], between our Company and the Monitoring Agency in relation to monitoring of Gross Proceeds.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder / Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with / without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please see to the chapter titled “ <i>Objects of the Issue</i> ” beginning on page 53.
Net Worth	Net worth as defined under Section 2(57) of the Companies Act.
Non-Institutional Bidders / NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI ICDR Regulations.
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI ICDR Master Circular 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 over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI ICDR Master Circular and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before [●].
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
RBI’s Scale-Based Regulatory Framework	Reserve Bank of India (Non-Banking Financial Companies- Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares to be decided prior to filing of the Letter of Offer being [●].
Refund Bank	The Banker to the Issue with whom the Refund Account will be opened, in this case being [●].
Registrar Agreement	Agreement dated March 24, 2026, entered into among our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue	Cameo Corporate Services Limited
Registrar to the Company/ Registrar and Transfer Agent / RTA	Niche Technologies Private Limited
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR

Term	Description
	Regulations, the SEBI ICDR Master Circular, the Companies Act and any other applicable law as amended from time to time.
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. [●]. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounce on or prior to the Issue Closing Date i.e., [●].
Retail Individual Bidders(s) / Retail Individual Investor(s) /RII(s) / RIB(s)	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹200,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	Number of the Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of the Equity Shares held by the Eligible Equity Shareholder on the Record Date, in this case being [●] Rights Equity Shares for every [●] Equity Shares held by an Eligible Equity Shareholder. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements shall be credited in dematerialised form with a separate ISIN to the respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date, against the Equity Shares held by them as on the Record Date.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
Self-Certified Syndicate Bank / SCSBs	Self-certified syndicate banks registered with SEBI, which offers the facility of ASBA. A list of all SCSBs is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 , updated from time to time or at or such other website(s) as maybe prescribed by SEBI from time to time.
Specific Investors	Regulation 77B of the SEBI ICDR Regulations defines specific investor(s) as any investor who is eligible to participate in the Issue (a) whose name has been disclosed by the Company in terms of regulation 84(1)(f)(i) of the SEBI ICDR Regulations; or (b) whose name has been disclosed by the Company in terms of sub-clause 84(1)(f)(ii) of the SEBI ICDR Regulations
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed.
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 / Fraudulent Borrower	An entity or person categorised as a wilful defaulter or a fraudulent borrower by any bank or financial institution (as defined under Companies Act, 2013) or consortium thereof, in terms of Regulation 2(1)(III) of the SEBI ICDR Regulations and in accordance with the master circular on wilful defaulters issued by RBI.
Working Days	In terms of Regulation 2(1)(mmm) of SEBI ICDR Regulations, working day means all days on which commercial banks in Mumbai and/or Thrissur are open for business. Further, in respect of Issue Period, working day means all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai and Thrissur are open for business. Furthermore, the time period between the Issue Closing Date and the listing of Equity Shares on the Stock Exchange, working day means all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

Industry related Terms

Term	Description
AML	Anti-Money Laundering
AUM	Assets Under Management
EMI	Equated Monthly Instalment
GDP	Gross Domestic Product
HFC	Housing Finance Company
KYC	Know Your Customer
LTV	Loan-to-Value Ratio
MFI	Microfinance Institution
MSME	Micro, Small and Medium Enterprise
NBFC-AA	Non-Banking Financial Company – Account Aggregator
NPA	Non-Performing Asset
P2P	Peer-to-Peer (Lending)
PSU	Public Sector Undertaking
SFB	Small Finance Bank
SRO	Self-Regulatory Organization

Conventional Terms and Abbreviations

Term	Description
“₹” / “Rs.” / “Rupees” / “INR”	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the SEBI AIF Regulations
AY	Assessment Year
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor’s Report) Order, 2016
CCIT	Chief Commissioner of Income Tax
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
Central Government	The Central Government of India
CFO	Chief Financial Officer
CIN	Corporate Identity Number
CIT	Commissioner of Income Tax
Companies Act / Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, as amended from time to time
CRAR	Capital adequacy ratio/Capital to risk assets ratio
CTS	Cheque Truncation System
Depositories Act	The Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant’s Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per Share
FBIL	Financial Benchmarks India Private Limited
FCNR Account / FCNR	Foreign Currency Non-Resident Account
FDI	Foreign Direct Investment
FEMA Act / FEMA	The Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FEMA NDI Rules	Foreign Exchange Management (Non-Debt Instruments) Rules, 2019

Term	Description
Fiscal /Fiscal Year/ Financial Year/FY	12-month period commencing from April 1 and ending on March 31 of the immediately succeeding year.
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FPI	Foreign Portfolio Investor
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018
FVCIs	Foreign venture capital investors as defined in and registered with SEBI under the SEBI FVCI Regulations
GCP	General Corporate Purpose
GIR	General Index Registrar
Government/GoI	Government of India
GST	Goods and Service Tax
HUF	Hindu Undivided Family
IBC	Insolvency and Bankruptcy Code, 2016
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financing Reporting Standards
Ind AS	Indian Accounting Standards
Indian GAAP	Generally accepted accounting principles followed in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time
ISIN	International Securities Identification Number
ISRO	Indian Space Research Organisation
I.T. Act / IT Act	Income Tax Act, 1961
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
KMP	Key Managerial Personnel
Lakh	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic Ink Character Recognition
N.A.	Not Applicable
NACH	National Automated Clearing House is a consolidated system of ECS.
NAV	Net Asset Value calculated as Net Worth is divided by number of fully paid-up Equity Shares.
NBFC	Non-banking financial companies
NCLAT	National Company Law Appellate Tribunal
NCLT	National Company Law Tribunal
NEFT	National Electronic Fund Transfer
NI Act	Negotiable Instruments Act, 1881
NR	Non-Resident
NRE	Non-Resident External Account
NRI	Non-Resident Indian
NSDL	National Securities Depositories Limited
OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Deposit) Regulations, 2000 and which was in existence on the date of the commencement of Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's)) Regulations, 2003 and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the regulations.
p.a.	Per Annum
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer

Term	Description
RBI	Reserve Bank of India
RBI Master Direction	Reserve Bank of India (Non-Banking Financial Company – Registration, Exemption and Framework for Scale Based Regulation) Directions, 2023, as amended from time to time.
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended from time to time
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended from time to time
SEBI ICDR Master Circular	SEBI circular bearing reference number HO/49/14/14(2)2026-CFD-POD2/I/4518/2026 dated February 09, 2026
SEBI ICDR Regulations / ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI LODR Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
SEBI Rights Issue Circular	SEBI circular bearing reference number SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated March 11, 2025.
SEBI SBEB Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time
SEBI SAST Regulations/ Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as repealed and replaced by the SEBI AIF Regulations
STT	Securities Transaction Tax
TDS	Tax Deducted at Source
Total Borrowing	Aggregate of debt securities, borrowings (other than debt securities) and subordinated liabilities.
U.S/United States	The United States of America
UPI	Unified Payments Interface
US GAAP	United States Generally Accepted Accounting Principles
USD / US\$	United States Dollars
US Securities Act	The United States Securities Act of 1933, as amended from time to time
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be

NOTICE TO INVESTORS

The distribution of the Issue Materials to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come are required to inform themselves about and observe such restrictions. For details, refer to “*Restrictions of Foreign Ownership of Indian Securities*” on page 107 of the Draft Letter of Offer.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will electronically dispatch through email or physical dispatch through registered post /speed post Issue Materials only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Issue Materials will be provided, through email or by registered post / speed post, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Materials from the websites of the Registrar, our Company and the Stock Exchange.

Investors can also access the Issue Materials from the websites of the Stock Exchange, Registrar and our Company.

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 Issue Materials or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, Issue Materials must be treated as sent for information purposes only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Issue Materials to any person outside India where to do so, would or might contravene local securities laws or regulations. If the Issue Materials or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in the Issue Materials.

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/her jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India). In addition, each purchaser of Rights Entitlements and the Rights Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in “*Other Regulatory and Statutory Disclosure*” on page 69. 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 the Issue Materials nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company’s affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the Issue Material.

THE CONTENTS OF THIS DRAFT 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 EQUITY SHARES OR RIGHTS ENTITLEMENTS. ACCORDINGLY, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE ISSUE OF RIGHTS 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 STATE

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“UNITED STATES”), EXCEPT IN A TRANSACTION NOT SUBJECT TO, OR EXEMPT FROM, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENT. THERE IS NO INTENTION TO REGISTER ANY PORTION OF THE ISSUE OR ANY OF THE SECURITIES DESCRIBED HEREIN IN THE UNITED STATES OR TO CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES. ACCORDINGLY, THE ISSUE MATERIALS SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME. IN ADDITION, UNTIL THE EXPIRY OF 40 DAYS AFTER THE COMMENCEMENT OF THE ISSUE, AN OFFER OR SALE OF RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES WITHIN THE UNITED STATES BY A DEALER (WHETHER OR NOT IT IS PARTICIPATING IN THE ISSUE) MAY VIOLATE THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

Neither our Company nor any person acting on our behalf will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on our behalf has reason to believe is in the United States when the buy order is made. Envelopes containing an Application Form and Rights Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer and all persons subscribing for the Rights Equity Shares Issue and wishing to hold such Equity Shares in registered form must provide an address for registration of these Equity Shares in India. Our Company is making the Issue on a rights basis to Eligible Equity Shareholders and the Issue Materials 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, the Registrar or any other person acting on behalf of us 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 authorized to acquire the Rights Equity Shares or Rights Entitlement in compliance with all applicable laws and regulations; (ii) appears to us or our agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form.

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

The Rights Entitlements and the Equity Shares have not been approved or disapproved by the US Securities and Exchange Commission (the “US SEC”), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

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

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR TO THE ISSUE. THIS DOCUMENT IS NOT TO BE REPRODUCED OR REDISTRIBUTED OR PASSED ON, DIRECTLY OR INDIRECTLY, TO ANY OTHER PERSON OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

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

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

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

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

Financial Data

Unless stated otherwise or the context otherwise requires, the financial information and financial ratios in this Draft Letter of Offer has been derived from our Unaudited Financial Results of our Company for the nine months period ended December 31, 2025 and Audited Financial Information of our Company for the financial years ended March 31, 2025, 2024, and 2023. For details, please refer to “**Financial Information**” on page 64 of this Draft Letter of Offer. Our Company’s financial year commences on April 01 and ends on March 31 of the next calendar year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the twelve (12) month period ended on March 31 of that year.

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

The Audited standalone financial statement for the financial years ended March 31, 2025, 2024 and 2023 of our Company 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 restated 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 Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off and unless otherwise specified all financial numbers in parenthesis represent negative figures. Our Company has presented all numerical information in this Draft Letter of Offer in “lakh” units or in whole numbers where the numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 10,00,000.

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 also not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see “**Financial Information**” on page 64 of this Draft Letter of Offer.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two

decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to two number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Currency and Units of Presentation

All references to:

- “Rupees”, “₹”, “INR”, “Rs.” and “Indian Rupees” are to Indian Rupee, the official currency of the Republic of India; and
- ‘US\$’, ‘USD’, ‘\$’ and ‘U.S. dollars’ are to the legal currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000. 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 elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Restated Financial Information.

Exchange Rate

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

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

Currency	As on December 31, 2025 ⁽¹⁾	As on March 31, 2025 ⁽¹⁾	As on March 31, 2024 ⁽¹⁾	As on March 31, 2023 ⁽¹⁾
1 United States Dollar	89.92	85.58	83.37	82.22

Source: www.fbil.org.in and www.rbi.org.in.

⁽¹⁾ In the event that any of the abovementioned dates of any of the respective financial year or periods 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 Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable, but their accuracy, adequacy, completeness, reliability or underlying assumptions are not guaranteed. Similarly, internal surveys, industry forecasts, market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company and our Company did not make any representation as to the accuracy of such information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “**Risk Factors**” on page 22, of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

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

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'aim', 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'expected to', 'intend', 'is likely', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'will', 'would', or other words or phrases of similar import. However, these are not the exclusive means of identifying forward-looking statements.

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

1. Our ability to successfully implement our strategy, our growth and expansion.
2. Any disruption in our sources of funding could adversely affect our liquidity;
3. risk of non-payment or default by borrowers;
4. Failure to attract and retain our management team and other skilled & unskilled employees;
5. Ability to respond to technological changes;
6. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
7. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
8. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
9. Changes in laws and regulations relating to the industries in which we operate;
10. Failure to obtain any approvals, licenses, registrations and permits in a timely manner;

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the sections entitled "**Risk Factors**" beginning on page 22 of this Draft letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, nor our Promoter have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

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

SECTION II – SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections, “Risk Factors”, “Objects of the Issue”, “Government and Other Statutory Approvals” and “Other Regulatory and Statutory Disclosures” Beginning on pages 22, 53, 68 and 69 of this Draft Letter of Offer, respectively.

1. Summary of the Business

Salem Erode Investments Limited ("SEIL" or the "Company") is a Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (Registration No. B-07-00882) and listed on BSE Limited. The Company was originally incorporated as *The Salem Erode Electricity Distribution Company Limited* under the Indian Companies Act, 1913 on May 16, 1931. It subsequently underwent a successive series of name changes to reflect the evolving nature of its business—first to *Salem Erode Tea & Investment Company Limited* on November 28, 1975, and later to its current name on July 24, 1992.

Today, SEIL is a reputable financial institution primarily engaged in the gold loan financing business. With its headquarters in Chennai and operational backbone in Thrissur, Kerala, the Company has established a strong presence in India, particularly in Tamil Nadu and Odisha. It offers short- and medium-term loans against gold ornaments, catering to a diverse customer base across urban, semi-urban, and rural geographies.

The Company’s core offerings include:

- Gold loan financing with competitive interest rates and flexible repayment terms
- Lending activities with or without security

SEIL’s strategic expansion in FY 2024-25 saw the opening of **6 new branches**, taking the total count to **38 branches**. This extensive footprint, combined with a deep understanding of local markets, allows the Company to promote financial inclusion and meet the liquidity needs of underserved communities.

Guided by its mission to deliver trusted and customer-centric financial solutions, SEIL places a strong emphasis on operational transparency, customer satisfaction, and digital transformation. The Company has also embarked on a technological upgrade of its core banking systems and HRMS infrastructure, to enhance operational efficiency and customer engagement in the years ahead.

SEIL is committed to maintaining strong governance practices, fostering ESG initiatives, and upholding ethical business standards. Its Board comprises a balanced mix of executive and non-executive directors with vast experience in finance, governance, and risk management.

In addition to the core business of gold loan, we also offer business loans, and personal loan. As on the Fiscal Year 2025, 2024 and 2023, our interest income from our business other than gold loan i.e. Other Loan products amount to ₹122.05 Lakhs, ₹201.86 lakhs, and ₹229.19lakhs, respectively, which constitutes 33.54%, 52.84%, and 57.10% respectively, of our total interest income from loans and advances for the respective period.

2. Object of the Issue

The Net Proceeds are proposed to be utilized in accordance with the details set forth in the following table:

		(₹in lakhs)
Sr. No.	Particulars	Estimated Amount
1	To augment our capital base and provide for our fund requirements for incr respect our NBFC activities.	2,000.00
2	General corporate purposes*	233.10
	Net Proceeds	2,233.10

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

For further details, please see the section titled “*Objects of the Issue*” on page 53 of this Draft Letter of Offer.

3. Intention and extent of participation by the Promoter and Promoter Group

Our Promoter, *vide* its letter dated March 26, 2026, has confirmed that it may:

- a) subscribe jointly and/ or severally along with any other Promoters or member of the Promoter Group, to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in its favour;
- b) subscribe to, jointly and/ or severally along with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue;
- c) subscribe partly to the Rights Entitlement and renounce partly the Rights Entitlement to the certain identified specific investors, including subscribing to unsubscribed portion (if any) in the Issue by the certain identified

subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed under the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations, as amended from time to time.

Any acquisition of Rights Equity Shares by the Promoter, over and above its Rights Entitlements, shall not result in a change in control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under Applicable Law.

In the event the Promoters decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. Pursuant to Regulation 86 of the SEBI ICDR Regulations, it is mandatory for the Issuer to achieve a minimum subscription in a Rights Issue. Specifically, the company must receive subscription for at least ninety percent (90%) of the total issue size as stated in the offer document. The minimum subscription threshold includes all valid applications received and accepted from Eligible Shareholders and other investors in the Rights Issue. The Company is, therefore, committed to ensuring compliance with this regulatory requirement and will take all necessary steps to achieve the prescribed minimum subscription level.

For further details, please see the section titled “*Capital Structure*” beginning on page 51 of this Draft Letter of Offer.

4. Allotment of the under-subscribed portion of the issue to any specific investor(s)

Our Company may allot any undersubscribed portion (if any) of the Rights Issue to one of more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar.

5. Details of our Company, Promoter and Directors being Wilful Defaulters or a Fraudulent Borrower

Neither our Company, nor our Promoter or Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

6. Summary of outstanding litigations

As on the date of this Draft Letter of Offer, neither our Company nor our Promoter or Directors have been issued any show cause notice(s) by SEBI or the Adjudicating Officer in a proceeding for imposition of penalty, nor have any prosecution proceedings been initiated against them by SEBI.

Further, the equity shares of the company have never been suspended from trading as a disciplinary measures during the last three years immediately preceding the reference date, i.e., March 26, 2026.

A summary of outstanding legal proceeding along with the amounts involved, wherever quantifiable for the pending matter involving our Company as on the date of this Draft Letter of Offer is provided below:

Sr. No.	Type of Proceedings	By the Company		Against the Company	
		Number of Cases	Amount involved (to the extent quantifiable)	Number of Cases	Amount involved (to the extent quantifiable)
1.	Proceedings involving criminal liability	2	15.83 Lakhs	NIL	NIL
2.	Proceedings involving material violations of the statutory regulations by our company.	NIL	NIL	NIL	NIL
3.	Proceedings initiated against our company for the Economic offences	NIL	NIL	NIL	NIL
4.	Tax Proceedings	NIL	NIL	NIL	NIL
5.	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	NIL	NIL	NIL	NIL
6.	Other civil litigation considered to be material by our Company's Board of Directors	NIL	NIL	NIL	NIL

DETAILS OF MATTERS WHICH ARE PENDING

Except the following proceeding filed by our Company, there are no material outstanding civil litigations, criminal litigations, tax litigations or regulatory proceedings involving our Company as on the date of this Draft Prospectus.

1. The Company (“**Complainant**”) has filed a complaint dated November 24, 2022, against Bakiyalakshmi (“**Accused**”). Pursuant to the complaint the police registered a FIR bearing number 176 dated September 8, 2023 at Soundarapandiyanar Angadi Police Station in T. Nagar district under section 420, 465, 468 and 471 of IPC. The Accused cheated the Complainant by stealing gold ornaments from the pledged packets of customers and replacing the original gold with spurious gold thus causing a financial loss of ₹14,00,000 to the Complainant.
2. The Company (“**Complainant**”) filed a criminal complaint in Jagatsinghpur police station against the Employees (Accused) as well as the customer Ajay Kumar Sahoo for Pledging spurious gold by colluding with each other resulting in a loss of ₹1,83,000.

OTHER CONFIRMATION

Our Company has been in compliance with the equity listing agreement and the SEBI LODR Regulations, during the three years immediately preceding the date of this Draft Letter of Offer.

SECTION III – RISK FACTORS

An investment in our equity shares, involves a high degree of risk. You should carefully consider all information in this Draft Letter of Offer, including the risks and uncertainties described below, prior to making an investment decision. Additionally, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future which may impair our business, cash flows, prospects, results of operations and financial condition. If any or a combination of the following risks or other risks that are not currently known or are now deemed immaterial actually occurs, 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 their investment.

*This Draft Letter of Offer also contains forward-looking statements which 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 Draft Letter of Offer. For further details, please see the section titled “**Forward-Looking Statements**” beginning on page 18.*

Unless otherwise specified or quantified, we are unable to determine the precise financial or operational impact of the risks described herein. For the purposes of this section, references to “we,” “us,” or “our” shall mean our Company, together with its Subsidiaries, unless the context otherwise requires.

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.*

Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below. In making an investment decision, prospective investors must rely on their own examinations and the terms of the Issue, including the merits and the risks involved. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Issue.

Our financial year ends on March 31 of each year, so all references to a particular Fiscal are to the 12 months ended March 31 of that year. Unless otherwise stated or the context otherwise requires, the financial information used in this section is derived from our Audited Financial Statements.

INTERNAL RISK FACTORS

1. Our business needs significant capital infusion and any disturbances to our funding channels could substantially impair our liquidity and financial condition.

The liquidity and profitability of our business depend, in large part, on our timely access to, and the costs associated with raising funds. Our funding requirements historically have been met from various sources, including equity funding, secured and unsecured loans, including rupee-denominated term loans and cash credit facilities from banks and financial institutions, secured and unsecured non-convertible debentures. Our business thus depends and will continue to depend on our ability to access a variety of funding sources. Our ability to raise funds on acceptable terms and at competitive rates depends on various factors including global and local macroeconomic conditions, our current and future results of operations and financial condition, our risk management policies, the shareholding of our Promoter in our Company, our credit ratings, India’s sovereign credit rating, our brand equity and the regulatory environment and policy initiatives in India. Changes in economic, regulatory and financial conditions or any lack of liquidity in the market could adversely affect our ability to access funds at competitive rates, which could adversely affect our liquidity and financial condition.

2. *Our Promoter “ICL Fincorp Limited” is engaged in similar line of business. Any conflict of interest in future may occur between the business of our Promoter and us which may adversely affect our business, prospects, results of operations and financial condition.*

Our Promoter, ICL Fincorp Limited is a non-deposit taking and a middle layer non-banking finance company (“**NBFC**”) registered with RBI (registration no. B-07.00437) under Section 45 IA of the Reserve Bank of India Act, 1934 and engaged in the gold loan sector, lending money against the pledge of household gold jewellery in the states of Kerala, Tamil Nadu, Andhra Pradesh, Karnataka, Telangana, Odisha, Gujarat, Maharashtra, West Bengal, Goa , Delhi, Rajasthan and Bihar. It also provides loans against property, business loans and personal loans and hence, our Promoter is engaged in a similar line of business. The classification as a Middle Layer NBFC is based on RBI’s Scale-Based Regulatory Framework, as the total aggregate asset size of ICL Fincorp Limited is above ₹1,000 crores as on December 31, 2025.

We have not entered into any non-compete agreements with our Promoter. We will endeavour to take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law, to address any conflict which may arise in the future. However, we cannot assure you that our Promoter will not favour its own interest over our interests in future or that we will be able to resolve any such conflicts without adversely affecting our business or operations. Given the Promoter’s classification as a Middle Layer NBFC and its substantial asset size, any conflict of interest could have a more pronounced impact on our operations.

Although our line of business is similar to that of our Promoter, we take careful measures to ensure that each company operates independently and does not serve the same clients. This deliberate separation helps us avoid any potential conflicts of interest and maintain the integrity of our business operations.

3. *Our inability to compete effectively in an increasingly competitive industry may adversely affect our net interest margins, income and market share.*

We provide loans primarily to customers residing in rural and semi-urban markets. Our primary competitors are private unorganized lenders who typically operate in rural and semi-urban markets. However, as banks, other NBFCs and housing finance companies continue to expand their operations in rural and semi-urban markets, we face competition from such entities, some of which may have superior technology platforms, greater resources, cheaper funding, wider reach in rural and semi-urban markets and may have a better understanding of, and relationships with customers in these markets. This may make it easier for competitors to expand and to achieve economies of scale to a greater extent. In addition, our competitors may be able to rely on the reach of the retail presence of their affiliated group companies or banks.

There is increased competition from other lenders in the gold loan industry, including commercial banks and other NBFCs, who also have access to funding from customers in the form of savings and current deposits. We rely on higher cost loans and debentures for our funding requirements, which could reduce our margins. Our ability to compete effectively will depend on our ability to raise low-cost funding. If we are unable to compete effectively with other participants in the gold loan industry, our business, financial condition and results of operations may be adversely affected.

Our ability to compete effectively will depend, in part, on our ability to maintain or increase our margins. Our margins are affected in part by our ability to continue to secure low-cost capital and charge optimum interest rates at which we lend loans to our customers. Consequently, our ability to maintain or increase our margins will be dependent on our ability to pass on increases in interest rates on our interest-bearing liabilities to our customers. Moreover, any increases in the interest rates on the loans we extend may also result in a decrease in business.

Further, our Promoter, “ICL Fincorp Limited” is also in the similar line of business and any conflict of interest may affect our business operations and financial conditions. However, we take adequate steps to address any conflict of interest by adopting the necessary procedures and practices as permitted by applicable law.

4. ***Our Company is party to certain litigations and claims. These legal proceedings are pending at different levels of adjudication before various courts and regulatory authorities. Any adverse decision may make us liable to liabilities/penalties and may adversely affect our reputation, business and financial status.***

Our Company is currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. We cannot assure you that these proceedings will be decided in favour of our Company. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property, etc.

(₹ in lakhs)

No.	Type of Proceedings	By the Company		Against the Company	
		Number of cases	Amount involved (to the extent quantifiable)	Number of cases	Amount involved (to the extent quantifiable)
I.	Litigation involving our Company				
A.	Proceedings involving criminal liability	2	15.83	Nil	Nil
B.	Proceedings involving material violations of statutory regulations by our Company	Nil	Nil	Nil	Nil
C.	Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil	Nil	Nil
D.	Civil proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil	Nil	Nil
E.	Tax proceedings where the amount involved is equivalent to or in excess of the Materiality Threshold	Nil	Nil	Nil	Nil
F.	Any other pending matters which, if they result in an adverse outcome, would materially and adversely affect the operations or the financial position of our Company	Nil	Nil	Nil	Nil

5. ***We are subjected to supervision and regulation by the RBI as a non-deposit taking NBFC categorized under the Middle Layer. Any changes in the regulatory framework governing NBFCs could adversely affect our business, financial condition, and operations.***

We are subject to RBI's guidelines on financial regulation of NBFCs, including capital adequacy, exposure norms and other master directions. RBI also regulates the credit flow by banks to NBFCs and

provides guidelines to commercial banks with respect to their investment and credit exposure norms for lending to NBFCs. RBI's regulations of NBFCs could change in the future which may require us to restructure our activities, incur additional costs, raise additional capital or otherwise adversely affect our business and our financial performance.

Further our Promoter, ICL Fincorp Limited is middle-layer NBFC, regulated by RBI. Additionally, Salem Erode has also become a Middle Layer NBFC within the group under RBI's Multiple NBFC framework. The RBI Directions govern the activities of all the NBFCs, including key aspects of operations, such as the net owned fund requirements, capital adequacy, fund sourcing, customer onboarding, credit approval, risk management, and asset classification and provisioning.

RBI, from time to time, amends the regulatory framework governing NBFCs to address concerns arising from certain divergent regulatory requirements for banks and NBFCs. We are subject to the requirements of the master directions issued by RBI including RBI (Non-Banking Financial Company – Registration, Exemption and Framework for Scale Based Regulation) Directions, 2025 and Prompt Corrective Action Framework for Non-Banking Financial Companies.

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

Additionally, we are required to make various filings with RBI and SEBI, the Registrar of Companies and other relevant authorities pursuant to the provisions of RBI regulations, the Companies Act and other regulations. If we fail to comply with these requirements, or a regulator claims that we have not complied with the necessary requirements, we may be subject to penalties, and compounding proceedings or other statutory/regulatory actions.

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

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

7. *Our ability to lend against the collateral of gold jewellery has been restricted on account of guidelines issued by RBI, which may have a negative impact on our business and results of operation.*

For each financing arrangement, we sanction an amount of credit that is less than the value of the gold jewellery which we take as collateral. We regulate this amount through our restrictions on the loan to value ("LTV") ratio of each financing. The RBI's Gold Lending Directions mandate that loans granted against the collateral of gold jewellery must adhere to tiered Loan-to-Value (LTV) limits—up to 85%

for loans up to ₹2.5 lakh, 80% for loans between ₹2.5–₹5 lakh, and 75% for loans above ₹5 lakh. The Directions further prohibit lending against bullion/primary gold and gold coins. . This notification limits our ability to provide loans on the collateral of gold jewellery and thereby putting us at a disadvantage vis-à-vis unregulated money lenders offering similar products. Further, RBI in the Master Directions, has mandated NBFCs, primarily engaged in lending against gold jewellery (such loans comprising 50% or more of their financial assets), to maintain a minimum Tier I Capital of 12%. Such restrictions imposed by RBI may erode our margins and adversely impact our growth and business prospects.

RBI, in its Master Directions, further tightened the norms for lending against the security of gold ornaments by pegging the maximum lendable value to preceding 30 days' average of the closing price of 22 carat gold rate of India Bullion and Jewellers Association (formerly known as Bombay Bullion Association Limited) or historical spot gold price data publicly disseminated by a commodity exchange regulated by the forward Markets Commission. Any such future restrictions by RBI could have a negative impact on our business and results of operation.

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

A significant pool of our customers are primarily in the rural and semi-urban markets of India and without formal credit histories. As of March 31, 2025, our Company's total gross loans and advances were ₹13.54 crores and we expect that the size of our gross loans and advances will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults. This, as well as any deterioration in the financial condition of our borrowers, may result in an increase in our NPAs. Any such increase may adversely affect our credit ratings and increase our borrowing costs, which in turn may affect our interest margins, business and results of operations.

Our Company classifies NPAs in accordance with applicable Ind AS rules. Defaults by our customers for a period of more than 90 days result in such loans being classified as 'non-performing'. Our Company's Gross NPAs were ₹0.40 crores or 2.93% of our gross business assets as of March 31, 2025. Our Company's provision for NPA (Stage-3 assets) was ₹0.05 crores as of March 31, 2025.

The borrowers and their guarantors under our loan agreements may default on their repayment obligations due to various reasons including insolvency, lack of liquidity, increase in operating costs, business failure or poor agricultural production. In addition, a significant pool of our customers being self-employed and non-professional individuals and customers with informal income sources who often do not have credit histories supported by tax returns and other documents that would enable us to assess their creditworthiness, we may not receive updated information regarding any change in the financial condition of our customers or may receive inaccurate or incomplete information as a result of any fraudulent misrepresentation by our customers or employees. This segment of customers also has limited access to other financing sources and is located in the rural and semi-urban markets. It may therefore be difficult to carry out precise credit risk analyses on all of our customers.

Although we follow certain procedures to evaluate the credit profiles of our customers at the time of sanctioning a loan, we typically rely on a system of referrals from the local community and the value of the gold provided as underlying collateral rather than focusing solely on the credit profile of our customers. We rely on customer-provided information for credit assessments, following RBI's KYC guidelines and collateral through registrars, credit bureaus, and independent valuers. However, inaccurate or misleading information can impair our assessment of creditworthiness, affect collateral valuation, and impact our business and financial position. This risk is heightened by the manual nature of property verification in India and the lack of proper documentation among small businesses. Limited access to reliable credit data and delayed updates on customers' financial conditions further increase our exposure to credit risk, potentially leading to higher NPAs and vulnerability to fraud.

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

The following table sets forth net cash inflow/outflow from operating, investing and financing activities for fiscal year 2025, 2024, 2023.

(₹ in Lakhs)

Particulars	Financial Year Ended		
	March 31, 2025	March 31, 2024	March 31, 2023
Net Cash from operating activities	2559.33	1,547.44	222.22
Net cash used in investing activities	(261.51)	(837.87)	(22.29)
Net cash used in Financing Activities	(880.75)	385.45	(281.42)

We cannot assure you that our net cash flow will be positive in the future, which could adversely affect our ability to, among others, fund our operations, pay debts in a timely manner or finance proposed business expansions or investments.

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

A significant component of our total income is the interest and fee income we receive from the secured and unsecured loans we disburse, which comprised of ₹ 367.36 Lakhs, ₹ 382.02 Lakhs, and ₹ 401.41 Lakhs, respectively and constitutes 94.01%, and 92.29%, and 99.60%, of our total income for the Fiscal Year 2025, Fiscal Year 2024 and Fiscal Year 2023, respectively on standalone basis. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of RBI, deregulation of the financial sector in India, domestic and international economic and political conditions and other factors, which have historically generated a relatively high degree of volatility in interest rates in India. Moreover, if there is an increase in the interest rates we pay on our borrowings that we are unable to pass on to our customers, we may find it difficult to compete with our competitors, who may have access to low-cost funds. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate during rising rate scenario than competitors that borrow only at fixed interest rates.

Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility. If interest rates rise, we may have greater difficulty in maintaining a low effective cost of funds compared to our competitors who may have access to low-cost deposit funds. This could have a material adverse effect on our Company's results of operations and financial condition.

11. Our inability to recover the amounts due under secured and unsecured loans, or to realize the full value of collateral particularly gold may adversely affect our business, financial condition, results of operations, and profitability.

As of March 31, 2025, our Loan Book stood at ₹ 1359.43 lakhs before impairment allowances of ₹ 5.58 lakhs, comprising approximately 100% secured loans. A significant portion of our lending portfolio is secured by gold jewellery. The recoverability of such loans is dependent on a number of external and internal factors including prevailing market conditions, fluctuations in gold prices, economic and political developments, borrower defaults, and the enforceability of legal rights.

A sharp decline in the price of gold or broader market volatility could reduce the realizable value of collateral, making it insufficient to cover outstanding dues in case of borrower default. Although we maintain conservative loan-to-value ("LTV") ratios, follow periodic assessments, and operate a technology-driven risk management system, there can be no assurance that these measures will fully protect against losses.

Further, we may not be able to realize the full value of the collateral due to:

- Spurious or low-quality gold,
- Wastage during conversion of gold ornaments to bullion,
- Inaccurate appraisal despite internal checks,
- Defective title or documentation,
- Lack of a ready market or insufficient auction realizations,

- Fraud or misrepresentation by borrowers, and
- Operational lapses or employee non-compliance with internal policies.

Foreclosure on collateral in India may involve significant delays due to administrative and judicial procedures. Legal proceedings typically require a written petition before courts or tribunals and may not always lead to timely or favorable outcomes. In the case of unsecured loans, our recovery is restricted to litigation, as we do not have recourse to enforce any security interest. The timeline and outcome of such litigation are inherently uncertain.

If we are unable to recover dues or realize sufficient value from collateral, we may be required to increase our provisioning for loan losses, which could adversely impact our profitability, financial performance, and overall business prospects.

12. *Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets and could also affect our interest margins, business, results of operations and financial condition.*

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may relate to the nature of our business and may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects and its majority shareholding in our Company. Our present credit ratings are set forth below:

Agency	Instrument	Rating	Outlook
Infomercials Valuation and Rating Limited (formerly known as Infomercials Valuation and Rating Private Limited)	Non Convertible Debentures	IVR B+ (INC) (Downgraded)	Negative
Crisil Ratings Limited	Bank Loan	Crisil BB	Stable
Crisil Ratings Limited	Non Convertible Debentures	Crisil BB	Stable

Any downgrade in our credit ratings or the credit ratings of India, could increase our borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future and adversely affect our business, results of operations, financial condition.

13. *We are subject to ongoing scrutiny by regulatory authorities. A failure to comply with regulatory observations following any such inspections may adversely affect our business and prospects.*

Our Company is subject to periodic inspection of our Company's books of accounts and other records by RBI for the purpose of verifying the correctness or completeness of any statement, information, or particulars furnished to the RBI or for obtaining any information. RBI conducts an annual inspection of our Company's books of accounts and other records relating to our financial position under Section 45N of the RBI Act. RBI inspections are a regular exercise and are carried out periodically by RBI for banks, financial institutions, and NBFCs. If our Company fails to comply with the RBI's observations or all of the terms and conditions stipulated in the observations issued pursuant to their inspections, or fails to seek waivers or extensions of time for complying with these terms and conditions, the RBI may take adverse actions against our Company, such as revoking its registration/license or placing stringent restrictions on our Company's operations in case of any major non-compliance with RBI guidelines, circulars or notifications, as the case may be. Any major failure to meet the RBI's directions could materially and adversely affect our Company's pending applications or requests with the RBI and our Company's ability to obtain the regulatory permits and approvals required to expand our business or result in the interruption of all or some of our Company's operations, which could have a material adverse

effect on our Company's business, financial condition and results of operations.

- 14. *We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges on which we have our securities listed and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any inaccurate disclosure made to the Stock Exchange or any statutory authority could result in penalties being imposed on us, which may adversely affect our business and operations.***

As a listed company, we are obligated to adhere to the rules and regulations stipulated by the Stock Exchange and SEBI pertaining to ongoing listing requirements, as well as the provisions outlined in the Companies Act, 2013 and rules framed thereunder. The occurrence of any non-compliance with these established rules and regulations, or the dissemination of inaccurate information to the Stock Exchange or any legal authority, could lead to the imposition of penalties upon our organization. These penalties have the potential to exert a detrimental impact on our business and operational functions.

There have been, on few occasions, inadvertent Non-Compliances/ Delayed Compliances done by our Company as required under the provisions of SEBI LODR Regulations. We believe that we are in compliance with rules and regulations imposed by the BSE and SEBI with respect to continuous listing, any failure to comply with such rules and regulations or any wrong disclosure/non filing/delayed filing to the BSE or any statutory or regulatory authority could result in penalties being imposed on us, which may adversely affect our business and operations.

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

As of September 30, 2025, our Company had total borrowings of ₹12.14 crores. We may incur additional indebtedness in the future. Many of our financing agreements include various restrictive conditions and covenants restricting certain corporate actions, and our Company may be required to take the prior approval of the lender before carrying out such activities. Our indebtedness could have several important consequences, including our cash flows being used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund our working capital, capital expenditures and other general corporate requirements. Moreover, our ability to obtain additional financing or renewal of existing facilities, in the future at reasonable terms may be restricted or our cost of borrowings may increase due to sudden adverse market conditions, including decreased availability of credit or fluctuations in interest rates. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements and we may be more vulnerable to economic downturns, which may limit our ability to withstand competitive pressures and may reduce our flexibility in responding to changing business, regulatory and economic conditions.

- 16. *We rely on the accuracy and completeness of customer-provided information and the quality and legitimacy of collateral, including gold. Any deficiencies in such information or collateral, or lapses in our internal procedures, may expose us to significant financial, legal, and reputational risks.***

In the ordinary course of our lending operations, including loans secured against gold, we depend on information provided by customers and third parties, such as their financial history, representations regarding ownership and encumbrance, and the value of assets offered as collateral. We also rely on external sources such as credit bureaus, registrars, sub-registrars, and independent valuers to verify the creditworthiness of borrowers and the legality and marketability of collateral.

Despite having internal controls, customer due diligence mechanisms, and valuation processes in place, we remain exposed to the risk of receiving inaccurate, incomplete, or fraudulent information. In some cases, our internal procedures may fail to detect such deficiencies or may be improperly implemented.

For example, in gold-backed lending, there is a risk that the ornaments received may be spurious or stolen. If such assets are later seized by law enforcement authorities as part of an investigation, they may be retained in court custody, and we may have limited or no recourse to recover our dues, unless specifically released under a court order. In such cases, we may suffer significant losses, especially where

recovery from the customer is impractical or delayed.

Any such incidents arising from customer misrepresentation, fraud, or deficiencies in our internal systems may adversely affect our credit quality, operational efficiency, financial condition, and reputation in the market.

17. *We are subject to the risk of unknowingly receiving stolen goods as collateral from customers which may result in loss of collateral for the loan being disbursed.*

We have a policy in place to satisfy ownership of the gold jewellery and have taken adequate steps to ensure that the KYC guidelines stipulated by RBI are followed and due diligence of the customer is undertaken prior to the disbursement of loans. However, in the event that we unknowingly receive stolen goods as collateral from a customer, the goods can be seized by authorities. Once seized by the authorities, gold items will be stored in court storage facilities without a surety arrangement. No recourse is generally available to our Company in the event of such seizure, except the recovery of the loss from the customer. Any seizure of the gold ornaments by the authorities shall result in us losing the collateral for the loan disbursed and could adversely affect our reputation, business and results of operations.

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

NBFCs in India are subject to regulations and supervision by the RBI. In addition to the numerous conditions required for the registration as an NBFC with the RBI, we are also required to comply with certain other regulatory requirements for its business imposed by the RBI. In the future, there could be circumstances where our Company may be required to renew applicable permits and approvals and obtain new permits and approvals for its current and any proposed operations or in the event of a change in applicable law and regulations. There can be no assurance that RBI or other relevant authorities will issue any such permits or approvals in the time-frame anticipated by our Company, or at all.

Further, we may need to apply for additional approvals, including the renewal of approvals which may expire from time to time and approvals required for our operations, in the ordinary course of business. These registrations include those required to be obtained or maintained under applicable legislation governing shops and establishments, professional tax, GST registrations etc. We cannot assure you that we will be able to timely apply for, whether fresh or renewal, all approvals, consents, permits, registrations and clearances required for undertaking our business from time to time. There can be no assurance that the relevant authorities will issue such approvals in the time-frame anticipated by us or at all. There is no assurance that the Government may not implement new regulations which will require us to obtain approvals and licenses from the Government and other regulatory bodies or impose onerous requirements and conditions on our operations. Our Company's obligation to obtain and renew such approvals arises periodically in the ordinary course of business and applications for such approvals are made at the appropriate stage under applicable laws.

We may also be unable to fulfil the terms and conditions to which such approvals, licenses, registrations, consents and permits are granted. Furthermore, we cannot assure you that the approvals, licenses, registrations, consents and permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action, and we may be subject to penalty and other statutory and regulatory actions, which may have a material adverse effect on our business and operations, financial condition, cash flows and results of operations.

If we are unable to obtain or retain such approvals, licenses, permits and registrations, or renewals thereof, in a timely manner or at all, our business and growth strategy may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with the terms and conditions to which such licenses, approvals, permits or registrations are subject, such license, approval, permit or registration may be suspended or cancelled and it may result in cost and time overrun, imposition of penalties, interruption of our operations and may have an adverse effect on our business, cash flows, financial condition and results of operations. We may also incur substantial costs related to litigation if we are subject to

significant regulatory action, which may adversely affect our business, future financial performance and results of operations.

19. *We may not be able to detect money laundering or other illicit activities fully or in a timely manner, which could expose us to regulatory action, financial liability, and reputational harm.*

We are required to comply with applicable anti-money laundering (“AML”), anti-terrorism, and related laws in India, including the Prevention of Money Laundering Act, 2002 and relevant regulatory guidelines. In the course of our operations, we face the risk of non-compliance with prescribed know your customer (“KYC”) procedures and potential misuse of our services by dishonest customers for fraudulent or illegal purposes.

Although we have implemented internal controls, policies, and procedures including Board approved frameworks for KYC and customer suitability, there can be no assurance that these systems will always function effectively or detect every instance of non-compliance or suspicious activity in a timely manner.

Any failure or delay in identifying such activities may lead to regulatory scrutiny, fines, penalties, or enforcement actions. Additionally, any actual or perceived association with unlawful conduct could adversely affect our business, reputation, financial condition, and results of operations.

20. *Our ability to borrow from various banks may be restricted on account of guidelines issued by the RBI imposing restrictions on banks in relation to their exposure to NBFCs. Any limitation on our ability to borrow from such banks may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.*

Under RBI Master Circular DOR.CRE.REC.No.77/21.04.172/2021-22 on bank finance to NBFCs issued on January 05, 2022, the exposure (both lending and investment, including off balance sheet exposures) of a bank to a single NBFC engaged in lending against collateral of gold jewellery (i.e., such loans comprising 50% or more of its financial assets) should not exceed 7.5% of its capital funds. Banks may, however, assume exposures on a single NBFC up to 12.5% of their capital funds, provided the exposure in excess of 7.5% is on account of funds on-lent by the NBFC to the infrastructure sector. Further, banks may also consider fixing internal limits for their aggregate exposure to all NBFCs put together and should include internal sub-limit to all NBFCs providing Gold Loans (i.e., such loans comprising 50% or more of their financial assets), including us. This limits the exposure that banks may have on NBFCs such as us, which may restrict our ability to borrow from such banks and may increase our cost of borrowing, which could adversely impact our growth, business and financial condition.

21. *We may experience difficulties in expanding our business into additional geographical markets in India, which may adversely affect our business prospects, financial conditions and results of operations.*

While the gold loan markets in - states of Tamil Nadu and Odisha remains and is expected to remain our primary strategic focus, we also evaluate attractive growth opportunities in other regions in India. We may not be able to leverage our experience in the states that we are currently present; in order to expand our operations in other regions, should we decide to further expand our operations. Factors such as competition, culture, regulatory regimes, business practices and customs, customer attitude, sentimental attachments towards gold jewellery, behaviour and preferences in these cities where we may plan to expand our operations may differ from those - states of - Tamil Nadu- - and Odisha and our experience in these states may not provide us with benefits in other geographies. In addition, as we enter new markets and geographical areas, we are likely to compete not only with other large banks and financial institutions in the gold loan business, but also the local unorganised or semi-organised lenders, who are more familiar with local conditions, business practices and customs, have stronger relationships with customers and may have a more established brand name within local communities.

If we plan to further expand our geographical footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business partners with whom we may have no previous working relationship; successfully gauging market conditions in new markets; attracting potential customers; being susceptible

to local laws in new geographical areas of India; and adapting our marketing strategy and operations to suit regions where different languages are spoken. Our inability to expand our current operations in additional geographical markets may adversely affect our growth, business prospects, financial conditions and results of operations.

22. *We are subject to the risk of fraud, dishonesty or misconduct by our employees or customers, which could adversely affect our operations, financial condition and reputation.*

We are exposed to the risk of fraud and misconduct by both our employees and customers in the ordinary course of our business, particularly in connection with our lending operations, which involve large volumes of gold and cash transactions. While we exercise caution in recruiting, training and monitoring our employees and maintain internal systems to ensure operational compliance, instances of fraud and misappropriation particularly involving gold loans or cash may still occur. In the past, we have reported such cases to the Reserve Bank of India and have filed police complaints against employees involved in fraud and theft.

Our employees, especially those working in remote areas with limited banking infrastructure, may face increased vulnerability to criminal activity while collecting or transporting cash. The handling of cash instalments during collections also exposes us to risks of fraud, misappropriation, and unauthorised transactions. Though we maintain insurance coverage, including fidelity and transit-related coverage, and have implemented preventive controls, such measures may not be effective in all cases. Any such fraud or failure in internal controls could result in significant financial losses, regulatory action, and harm to our reputation and customer confidence.

In addition to operational fraud, employee misconduct such as unauthorised trading, front-running, misuse or disclosure of confidential information, or violation of insider trading laws can subject us to serious regulatory sanctions and reputational damage. It may not always be possible to detect or prevent such behaviour in advance, and any such occurrence could adversely affect our business, results of operations and financial position.

Our continued ability to operate in high-risk or remote areas may also be hindered by such risks, and challenges in employee retention and recruitment in such areas could impact our operational scale and expansion plans.

23. *We are dependent on our Key Managerial Personnel, senior management, and other key employees. The loss of, or our inability to attract or retain, such personnel could adversely affect our business, results of operations, and financial condition.*

Our performance and growth are significantly dependent on the experience, leadership, and strategic vision of our Key Managerial Personnel and senior management team, who have played an integral role in shaping our business and overseeing its operations. Their deep understanding of the industry and business environment is critical to the successful execution of our strategy and day-to-day functioning.

If one or more of these individuals were to resign, join a competitor, or otherwise become unavailable, it may be difficult to replace them in a timely manner, or at all. Replacing such experienced personnel could involve a lengthy hiring and training period, and there can be no assurance that we would be able to identify suitable candidates quickly. Further, we may face increasing competition in hiring qualified professionals and may be required to offer higher compensation to retain or attract talent, which could increase our employee costs.

Any inability to retain, attract, or effectively replace key personnel may adversely impact our operational efficiency, strategic initiatives, and overall business performance.

24. *Our Registered Office and corporate office are not owned by us. In the event we are unable to renew lease agreements, our business, financial condition and results of operations could be adversely affected.*

As of the date of this Draft Letter of Offer, our Registered Office and Corporate office of our Company

is held on a leasehold/Rental basis. Set out in the table below are details of the address of our Registered Office and Corporate Office, taken on lease/Rental:

Sr. No.	Particulars of Property	Address	Lessee	Lessor	Monthly Rental (₹ in Lakhs)	Validity of Agreement
1.	Registered Office	Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1ST Avenue, Ashok Nagar, Chennai, Tamil Nadu, India, 600083	Salem Erode Investments Limited (represented by Kuzhuppilly Govinda Menon Anilkumar)	Mrs. Bharathi Thirumagan	Rent of Rs. 10,000/- & Amenity Charges of Rs. 10,102/-	11 months, commencing from November 28, 2025
2.	Corporate Office	Second Floor, V.K.K. Building, Main Road, Irinjalakuda, Thrissur, Kerala, India, 680121	Salem Erode Investments Limited (represented by Kuzhuppilly Govinda Menon Anilkumar)	Vanaja Krishnankutti Menon	Rent of Rs. 18,615/-	11 months, commencing from April 02, 2025

We cannot assure you that we will be able to renew our leases on commercially acceptable terms, or at all. In the event that we are required to vacate the aforesaid leased premises, we would be required to make alternative arrangements and we cannot assure that the new arrangements will be on commercially acceptable terms. Further, since the registered office and corporate office of our Company is taken on lease, any negative set-back could materially adversely affect our business, results of operations, financial condition, cash flows and prospects. If we are required to relocate our business operations, we may suffer a disruption in our operations or have to pay increased charges, which could have an adverse effect on our business, results of operations, financial condition and cash flows..

25.  *which is being used by us, is yet not registered with the Trade Marks and patents Authority.*

We are currently using our logo  as our brand name without having applied for its registration with the Trademark and Patent authorities. The absence of a registered trademark for our logo may limit our ability to enforce or protect our intellectual property rights under the Trademarks Act, 1999. Without such statutory protection, we face the risk of misuse or unauthorized use of our brand and designs by competitors, which could harm our reputation, business prospects, and goodwill. In the event of infringement, we may not be able to effectively prevent the misuse of our logo or seek legal remedies, which could potentially result in a loss of market position and competitive advantage.

26. *Our insurance coverage may not adequately protect us against all potential losses, and any liability not covered or insufficiently covered could materially impact our financial condition and operations.*

We maintain insurance coverage to safeguard against specific risks associated with our operations. As of March 31, 2025, our insurance portfolio includes: (a) The New India Assurance Policies with a coverage of ₹ 6,882 lakhs. This policy cover incidents such as public liability, fidelity guarantees, burglary, fire, theft, transit loss, and natural calamities including earthquakes and floods.

Despite these measures, our insurance policies may not fully cover all potential risks or damages, either due to exclusions, limits, deductibles, or because certain events such as business interruptions or extraordinary natural disasters which may be uninsurable or not available to us on acceptable terms. Furthermore, the value of gold held by us is subject to market fluctuations, and insurance coverage may not always reflect the replacement cost of such gold at current prices.

A significant loss or liability that is either not insured or inadequately insured could lead to financial losses, litigation exposure, reputational harm, or regulatory scrutiny. Additionally, successful claims that

exceed our policy limits could lead to increased premiums, higher deductibles, or reduced future coverage availability, all of which could adversely affect our business, financial performance, and operations.

27. *The bankruptcy code in India may affect our rights to recover loans from borrowers.*

The Insolvency and Bankruptcy Code, 2016 ("**Bankruptcy Code**") was notified on August 5, 2016. The Bankruptcy Code offers a uniform and comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial firms). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates a new institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms, which will facilitate a formal and time-bound insolvency resolution and liquidation process.

In case insolvency proceedings are initiated against a debtor to our Company, we may not have complete control over the recovery of amounts due to us. Under the Bankruptcy Code, upon invocation of an insolvency resolution process, a committee of creditors is constituted by the interim resolution professional, wherein each financial creditor is given a voting share proportionate to the debts owed to it. Bankruptcy Code provides a 180-day timeline which may be extended by 90 days when dealing with insolvency resolution applications. Subsequently, the insolvency resolution plan prepared by the insolvency professionals has to be approved by 66% of voting share of financial creditors, which requires sanction by the adjudicating authority and, if rejected, the adjudicating authority will pass an order for liquidation. Any resolution plan approved by committee of creditors is binding upon all creditors, even if they vote against it. In case a liquidation process is opted for, the Bankruptcy Code provides for a fixed order of priority in which proceeds from the sale of the debtor's assets are to be distributed. Before sale proceeds are distributed to a secured creditor, they are to be distributed for the costs of the insolvency resolution and liquidation processes, debts owed to workmen and other employees. Further, under this process, dues owed to the Central and State Governments rank at par with those owed to secured creditors. Moreover, other secured creditors may decide to opt out of the process, in which case they are permitted to realise their security interests in priority.

Accordingly, if the provisions of the Bankruptcy Code are invoked against any of the borrowers of our Company, it may affect our Company's ability to recover our loans from the borrowers and enforcement of our Company's rights will be subject to the Bankruptcy Code.

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

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

We have not paid any dividends during the last 3 years. Our Company may retain all our future earnings, if any, for use in the operations, and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholder's investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate.

29. ***We have entered into related party transactions in the past and may continue to do so in the future, which could involve conflicts of interest and may not always be on the most favorable terms.***

We have entered into transactions with related parties and may continue to do so from time to time. While we believe that such transactions have been conducted on an arms-length basis and are in compliance with applicable accounting standards (including AS-24) and the provisions of the Companies Act, 2013 and other applicable laws, there can be no assurance that more favorable commercial terms could not have been achieved had such transactions been entered into with unrelated third parties.

Such transactions may involve actual or potential conflicts of interest and may not always be in the best interest of our minority shareholders. There is also a possibility that certain related parties may offer competing products or services that could erode our market share. We may not always be able to effectively manage these conflicts or competitive pressures, which could adversely affect our business, results of operations, financial condition, and cash flows.

For further details on related party transactions, see “***Financial Information***” on page 64 of this Draft Letter of Offer.

30. ***Attrition rate in our business is quite high and in order to be successful, we must attract, retain and motivate key employees, and failure to do so could adversely affect our business. Failure to hire key executives or employees could have a significant impact on our operations.***

In order to be successful, we are required to attract, train, motivate and retain highly skilled employees, especially branch managers and gold assessment technical personnel. If we cannot hire additional personnel or retain existing qualified personnel, our ability to expand our business will be impaired and our revenue could decline. Hiring and retaining qualified and skilled managers and sales representatives are critical to our future, and competition for experienced employees in the gold loan industry can be intense. In addition, we may not be able to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy and retain our employees to keep pace with continuing changes in technology, evolving standards and changing customer preferences. The failure to hire key executives or employees could have a significant impact on our operations.

31. ***Our ability to assess, monitor and manage risks inherent in our business differs from the standards of some of our counterparts in India and in some developed countries. Inability to effectively manage our risk management systems can adversely affect our business, financial condition and results of operation.***

We are exposed to a variety of risks, including liquidity risk, interest rate risk, credit risk, operational risk and legal risk. The effectiveness of our risk management is limited by the quality and timeliness of available data.

Our hedging strategies and other risk management techniques may not be fully effective in mitigating our risks in all market environments or against all types of risk, including risks that are unidentified or unanticipated. Some methods of managing risks are based upon observed historical market behavior. As a result, these methods may not predict future risk exposures, which could be greater than the historical measures indicated. Other risk management methods depend upon an evaluation of information regarding markets, customers or other matters. This information may not in all cases be accurate, complete, current, or properly evaluated. Management of operational, legal or regulatory risk requires, among other things, policies and procedures to properly record and verify a number of transactions and events. Although we have established these policies and procedures, they may not be fully effective.

Our future success will depend, in part, on our ability to respond to new technological advances and evolving NBFC and gold loan sector standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails significant technical and business risks. There can be no assurance that we will successfully implement new technologies or adapt our transaction-processing systems to customer requirements or evolving market standards and any failure to do so can adversely affect our business, financial condition and results of operation.

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

Our Promoter hold 75% of our total outstanding paid-up Equity Shares as on the date of this Draft Letter of Offer. Our Promoter exercise significant control over us, including being able to control the composition of our Board and determine matters requiring shareholder approval or approval of our Board. Our Promoter may take or block actions with respect to our business, which may conflict with our interests. By exercising their control, our Promoter could delay, defer or cause a change of our control or a change in our capital structure, delay, defer or cause a merger, consolidation, takeover or other business combination involving us, discourage or encourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of us which may not favour our best interest.

33. ***Our Promoter and certain of our directors hold Equity Shares in our Company and are therefore interested in our performance in addition to their remuneration and reimbursement of expenses.***

Certain of our Directors, including our Promoter are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. We cannot assure you that our Promoter will exercise its rights as shareholders to the benefit and best interest of our Company. Our Promoter will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoter may take actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders.

34. ***We may have contingent liabilities in the future which may adversely affect our financial condition if the contingent liability materializes.***

Below are the details of contingent liabilities and commitments as on March 31, 2025:

(Rs. in Lakhs)

	March 31, 2025
I. Contingent Liabilities	
(a) Claims against the company not acknowledged as debts	Nil
Income Tax*	1.06
(b) Guarantees excluding financial guarantees; and	Nil
(c) Other money for which the company is contingently liable	Nil
Total	1.06
II. Commitments	
(a) Estimated amounts of contracts remaining to be executed on capital account and not provided for;#	Nil
(b) Uncalled liability on shares and other investments partly paid	Nil
(c) Other commitments	Nil

*The Income Tax department raised demand of Rs. 24,181/- on account of TDS default for the financial year 2024-25. The Income Tax department raised demand of Rs. 34,607/- on account of TDS default for the financial year 2023-24. The Income Tax department raised demand of Rs. 46,800/- on account of TDS default for the financial year 2022-23. This happens due to clerical error in quarterly TDS return and the company proposes to revise the return to abolish errors. Since the company does'nt expect any liability after revising the return, no provision has been made in the books of accounts of the company.

However, we may have contingent liabilities in the future. In the event that any of the contingent liabilities materialize, our results of operations and financial condition may be adversely affected.

For further details, please see “**Financial Information**” on page 64.

35. *System failures, cyber-attacks, and data breaches could disrupt our operations, result in financial loss, expose us to litigation or regulatory action, and damage our reputation.*

Our business is heavily reliant on robust and secure technology infrastructure for processing a large volume of financial transactions and for managing customer information and operational workflows. Any failure in our internal systems—such as server breakdowns, software bugs, communication failures, data corruption, or employee non-compliance with protocols—can lead to significant business disruption, financial losses, or regulatory scrutiny.

Despite our internal controls, IT disaster recovery mechanisms, and employee training programs, we remain exposed to risks arising from system inadequacies, fraud, and unauthorized access to confidential information. Each of our branches accesses a central data center through the Internet, making the integrity and security of our systems vital. Any infrastructure or connectivity disruption in our key locations could impact our ability to serve customers.

Further, like many financial institutions, we are increasingly exposed to cybersecurity risks, including targeted attacks from organized criminals, hostile governments, or third-party service providers. While we continually invest in cybersecurity infrastructure and employ external experts to monitor threats and strengthen defenses, the techniques used in cyber-attacks evolve rapidly and may not always be identified or mitigated in time.

A successful cyber breach could result in theft or compromise of customer data such as credit or bank information, disruption of core operations or financial transactions, legal liability under privacy or data protection laws, loss of customer trust and confidence, regulatory fines or enforcement actions, costly litigation and reputational harm.

Moreover, we engage with third-party service providers who access or manage sensitive data. While we impose strict data protection obligations through contracts, there is no assurance that such third parties will fully comply with those obligations or applicable laws.

Any of the above risks could materially and adversely affect our business operations, customer relationships, financial condition, and reputation.

ISSUE SPECIFIC RISK FACTORS

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

Our Company will dispatch the Offer Documents to such shareholders who have provided an address in India for the service of documents or who are 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 Offer Documents will not be distributed to addresses outside India on account of restrictions that apply to the circulation of such materials in various overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail. Presently, there is a lack of clarity under the Companies Act, 2013, and the rules thereunder, with respect to the distribution of Issue Materials in overseas jurisdictions where such distribution may be prohibited under applicable laws of such jurisdictions. While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

37. *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. Renouncees 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 Renouncees 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 Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

38. ***SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. Failure to comply the Rights Issue Circulars as stated in SEBI circulars and in this Draft Letter of Offer could affect the listing of Equity Shares.***

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI ICDR Master Circular and 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 76 of this Draft Letter of Offer.

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

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

39. ***Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoter or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.***

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of 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. Further, any future sales of the Equity Shares by the Promoter and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

40. ***You may not receive the Equity Shares that you subscribe in the Issue until fifteen days after the date on which this Issue closes or listing and trading approval, 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. Investors can start trading the Issue Shares allotted to them only after they are listed and permitted to trade. Since the Equity

Shares are currently traded on the Stock Exchange, investors will be subject to market risk from the date they pay for the Issue Shares to the date when trading approval is granted for them. We cannot assure you 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.

41. ***Investors will not have the option of getting the Allotment of Rights Equity Shares in physical form and the Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form (“Physical Shareholders”) may lapse in case they fail to furnish the details of their demat account to the Registrar.***

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 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 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of the Equity Shares and except the pending transfers).

For details, refer section titled “***Terms of the Issue – Application by Eligible Equity Shareholders holding Equity Shares in physical form***” on page 83 of this of Draft Letter of Offer.

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

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

43. ***Your ability to acquire and sell the Issue Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Draft Letter of Offer.***

No actions have been taken to permit an offering of the Issue Shares in the Issue in any jurisdiction except India. As such, our Issue Shares have not and will not be registered under the U.S. Securities Act, any state securities laws or the law of any jurisdiction other than India. Further, your ability to acquire Issue Shares is restricted by the distribution and solicitation restrictions set forth in this Draft Letter of Offer. For further information, please refer to the sections entitled ‘***Notice to Investors***’, ‘***Other Regulatory and Statutory Disclosures***’ and ‘***Restrictions on Foreign Ownership of Indian Securities***’ on pages 13, 69 and 107, respectively. You are required to inform yourself about and observe these restrictions. Our representatives, our agents and us will not be obligated to recognize any acquisition, transfer or resale of the Issue Shares made other than in compliance with applicable law.

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

Under the Companies Act, any company incorporated in India must offer its holders of equity shares preemptive 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.

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

The Issue Price of Rights Equity Share may not be indicative of the market price for our Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. There can be no assurance that the Investors will be able to sell their Equity Shares at or above the Issue Price. The factors that could affect our share price are:

- a) quarterly variations in the rate of growth of our financial indicators such as earnings per share;
- b) changes in revenue or earnings estimates or publication of research reports by analysts;
- c) speculation in the press or investment community;
- d) general market conditions; and,
- e) domestic and international economic, legal and regulatory factors unrelated to our performance.

46. *There is no guarantee that the Rights Equity Shares issued pursuant to the Issue will be listed on the Stock Exchanges in a timely manner or at all and any trading closures at the Stock Exchanges may adversely affect the trading price of our Equity Shares.*

In accordance with Indian law and practice, permission for listing of the Rights Equity Shares will not be granted until after those Rights Equity Shares have been issued and allotted. In addition, we are required to deliver the Draft Letter of Offer to SEBI and the Stock Exchanges under the applicable provisions of the Companies Act and the SEBI ICDR Regulations. The trading approvals shall be granted subject to the submission of all other relevant documents authorizing the issuing of Rights Equity Shares. There could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict investors' ability to dispose of their Equity Shares. Further, a closure of, or trading stoppage on the Stock Exchanges could adversely affect the trading price of the Equity Shares.

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

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

48. *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.

49. *Investors in the Rights Equity Shares may not be able to enforce a judgment of a foreign court against us or our management, except by way of a suit in India on such judgment.*

We are a limited liability company incorporated under the laws of India and majority of our directors and all executive officers are residents of India. It may be difficult for the investors to affect service of process upon us or such persons outside India or to enforce judgments obtained in courts outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore, Hong Kong, and the United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908. Judgments or decrees from jurisdictions, which do not have reciprocal recognition with India, cannot be executed in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us or our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within 3 (Three) years of obtaining such final judgment in the same manner as any other suit filed to enforce a civil liability in India. If, and to the extent that, an Indian court were of the opinion that fairness and good faith so required, it would, under current practice, give binding effect to the final judgment that had been rendered in the non-reciprocating territory, unless such a judgment contravenes principles of public policy in India. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of such a judgment.

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

Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Additionally, a securities transaction tax ("STT") is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and the STT is collected by an Indian stock exchange on which equity shares are sold. Any gains realized on the sale of equity shares held for more than 12 months are subject to long-term capital gains tax in India. Such long-term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). This beneficial provision is, inter alia, subject to payment of STT. Further, any capital gains realized on the sale of listed equity shares of an Indian company, held for more than 12 months, which are sold using any platform other than a recognized stock exchange and on which no STT has been paid, will be subject to long-term capital gains tax in India at the rate of 10% (plus applicable surcharge and cess), without indexation benefits.

Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short-term capital gains tax in India at the rate of 15% (plus applicable surcharge and cess), subject to STT being paid at the time of sale of such shares. Otherwise, such gains will be taxed at the applicable rates.

Capital gains arising from the sale of the Rights Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions.

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 a gain upon the sale of the Rights Equity Shares.

Investors are advised to consult their own tax advisors and to carefully consider the potential tax consequences of owning, investing, or trading in Rights Equity Shares.

However, as per Budget 2024, the rate of short-term capital gain tax from Equity Shares has hiked to 20% and the long-term capital gains will be taxed at a flat rate of 12.5% without Indexation. Budget 2024 has also increased the limit of exemption of capital gains on listed Equity to Rs. 1,25,000 per annum from the existing Rs. 1,00,000. All the changes in the new capital gains tax rate will be effective immediately from July 23, 2024.

EXTERNAL RISK FACTORS

51. *Geopolitical tensions involving the U.S., Israel and Iran and the resulting volatility in global and domestic financial markets could adversely affect our liquidity, cost of funds and asset quality.*

Our business is dependent on overall economic conditions, financial market stability, and the repayment capacity of our borrowers across our gold loan, business loan, and personal loan segments. Geopolitical tensions and armed conflicts, including those between Russia and Ukraine, hostilities involving the United States, Iran and Israel, as well as regional instability involving Pakistan and Afghanistan, have contributed to volatility in global financial markets and economic uncertainty.

We rely on diversified funding, including NCDs, commercial papers and bank loans. Increased yields and a "risk-off" sentiment among lenders have raised our marginal cost of funds. If we are unable to pass these increases to our customers due to competitive pressures or regulatory caps, our Net Interest Margins (NIMs) will be adversely affected.

Further, global economic uncertainty may lead to volatility in gold prices, which could affect the value of collateral underlying our gold loan portfolio and increase the risk of shortfall upon liquidation.

Adverse macroeconomic conditions may also impact the cash flows of our borrowers under business and personal loans, increasing credit risk and non-performing assets. In addition, volatility in financial markets may affect our ability to access funding at competitive rates, thereby increasing our cost of funds and impacting liquidity.

The conflict has impacted the logistics, transport and MSME sectors due to rising fuel prices and global supply chain bottlenecks. As of March 2026, many of our borrowers in these segments are facing cash flow constraints. Any prolonged conflict may lead to an increase in Stage 3 assets (NPAs) and higher Expected Credit Loss (ECL) provisioning, directly impacting our profitability.

The massive pull-out by Foreign Portfolio Investors (FPIs) in the last 30 days has drained the liquidity out of the Indian system. In such volatile periods, credit markets often tighten, and domestic banks/mutual funds may become more selective in lending to NBFCs. Any inability to refinance our maturing short-term debt (Commercial Papers) could create a liquidity mismatch.

The duration and severity of these conflicts are uncertain. Any further escalation, particularly affecting the Strait of Hormuz, could lead to a severe macroeconomic slowdown in India, materially affecting our growth and the market price of our Equity Shares.

52. *Political instability or changes in the government or government policies could impact the liberalization of the Indian economy.*

The performance and growth of our Company is dependent on the health of the Indian economy and more generally the global economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. As a result, our business and the market price and liquidity of the Equity Shares may be affected by such economic and / or political changes. While the current government is expected to continue the liberalization of India's economic and financial sectors and deregulation policies, there can be no absolute assurance that such policies will be continued. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India generally and specifically have an adverse effect on the operations of our Company.

53. *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.*

The Financial Statements of our Company for the Unaudited Financial Results for the nine months period ended as on December 31, 2025 and Financial Years ending March 31, 2025, March 31, 2024, March 31, 2023 have been prepared in accordance with the Ind AS and the Companies Act, 2013.

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

54. *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, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

55. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.*

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Currently, the Russia-

Ukraine conflict has resulted in significant increase in a global oil prices which could have a significant impact on inflation and cost of production. Additionally, essential raw materials for the manufacture of various products could be affected globally due to the aforementioned European crisis which could have cascading effect on the Indian economy and the trading price of our Equity Shares.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of the Equity Shares.

56. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, may adversely affect our business and financial condition.*

Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations applicable to us and our business. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government of India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment to, or change to governing laws, regulation or policy in the jurisdictions in which we operate may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

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

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and / or subject us to penalties. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial condition.

57. *General economic conditions in India and globally could adversely affect our business, results of operations and financial condition.*

Our business, prospects, results of operations and financial condition depend significantly on worldwide economic conditions and the health of the Indian economy. Various factors may lead to a slowdown in the Indian or world economy which in turn may adversely impact our business, prospects, results of operations and financial condition. Our Company mainly derives revenue from operations in India and the performance and growth of our business is significantly dependent on the performance of the Indian economy. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, volatility in currency exchange rates, volatility in commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our Company's employee costs and decrease our operating margins, which could have an adverse effect on our business, prospects, results of operations and financial condition.

Further the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect

interest rates and liquidity, which could adversely affect the Indian economy and our Company's business. A slowdown in the Indian economy could adversely affect the policy of the Government of India towards the industry in which our Company operates, which may in turn, adversely affect our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business, results of operations and financial condition as well as the market price of the Equity Shares.

58. *The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition. India's physical infrastructure is in a developing phase, as compared to that of many developed nations.*

Any congestion or disruption in its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our Company's normal business activity. Any deterioration of India's physical infrastructure would harm the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could have an adverse effect on our results of operations and financial condition.

59. *A downgrade in ratings of India, may affect the trading price of the Equity Shares.*

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating is Baa3 with a "stable" outlook (Moody's), BBB- with a "stable" outlook (S&P) and BBB- with a "negative" outlook (Fitch). Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. 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.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorized by a resolution of our Board passed at its meeting held on March 24, 2026, pursuant to Section 62(1)(a) of the Companies Act, 2013 and other applicable laws. The terms and conditions of the Issue including the Issue price, Record Date, Rights Entitlement Ratio, and other related matters have been approved by the Share Issue Committee of the Board of Directors at their meeting held on [●], [●] [●], 2026.

The following is a summary of the Issue, and it should be read in conjunction with, and is qualified entirely by, the information set out in the section titled "**Terms of the Issue**" beginning on page 76 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	1,14,65,520 Equity Share
Rights Equity Shares proposed to be Issued	Up to [●] Rights Equity Shares
Equity Shares outstanding after the Issue (Assuming full subscription for and Allotment of the Rights Entitlements)	[●] Equity Shares
Rights Entitlements	[●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held on the Record Date i.e. [●], [●], 2026.
Fractional Entitlement	The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share(s) for every [●] ([●]) Equity Share(s) held on the Record Date. Thus, fractional entitlements will be decided at time of Letter of Offer.
Record Date	[●], [●], 2026
Face value per Equity Share	₹1/- each
Issue Price per Rights Equity Share	₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Equity Share)
Issue Size (Assuming full subscription for the Issue)	Up to ₹ 2,293.10 Lakhs
Voting Rights and Dividend	The Equity Shares issued pursuant to this Issue shall rank pari passu in all respects with the Equity Shares of our Company.
Scrip details	ISIN: INE894E01028 BSE: 540181 ISIN of Rights Entitlements: [●]
Terms of the Issue	For more information, please see the section titled " Terms of the Issue " beginning on page 76.
Use of Issue Proceeds	For more information, please see the section titled " Objects of the Issue " beginning on page 53.
Terms of Payment	The full amount of the Issue Price being ₹ [●] will be payable on application.

GENERAL INFORMATION

Our Company was incorporated as 'The Salem Erode Electricity Distribution Company Limited', a public limited company under the Indian Companies Act, 1913, vide certificate of incorporation dated May 16, 1931, issued by the Registrar of Companies, West Bengal. Our Company was granted the certificate of commencement of business dated June 22, 1931. Subsequently, the name of our company was changed to 'Salem Erode Tea & Investment Company Limited', and a fresh certificate of incorporation reflecting the change was issued on November 28, 1975, by Registrar of Companies, West Bengal. Subsequently, the name of our company was further changed to 'Salem Erode Investments Limited' and a fresh certificate of incorporation dated July 24, 1992 was issued by Registrar of Companies, West Bengal.

Our Company was granted registration as a Non-Deposit taking NBFC by the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934 on March 27, 1998 bearing Registration Number 05.01295 by Kolkata Regional Office. Subsequently, our Company shifted to Chennai Regional Office and was granted fresh registration as a Non-Deposit taking NBFC by the Reserve Bank of India (RBI) under Section 45-IA of the RBI Act, 1934 on December 06, 2021, bearing Registration Number B-07-00882. The Corporate Identification Number (CIN) of our Company is L31200TN1931PLC145816. The Equity Shares of the Company are listed on BSE Limited.

The Company is primarily engaged in the business of providing gold loans against household jewellery, which constitutes the vast majority of its loan portfolio. While the Company is registered as a non-deposit taking NBFC and is permitted to undertake various financial services including hire purchase, leasing, and investment activities, its current operations are focused almost exclusively on gold loan products. Other offerings such as personal loans and loans against property are provided selectively. -.

REGISTERED OFFICE

Salem Erode Investments Limited
Door No. 61/A8 (38/A8), VJP Parijatham Apartments,
1st Avenue, Ashok Nagar, Chennai, Tamil Nadu, India – 600083
Telephone: + 044 46053887
E-mail: cs@salemerode.com
Website: www.salemerode.com
Corporate Identity Number: L31200TN1931PLC145816
Registration Number: 145816

CORPORATE OFFICE

Salem Erode Investments Limited
Second Floor, V.K.K. Building, Main Road,
Irinjalakuda, Thrissur, Kerala, India – 680121.
Telephone: 0480282 8071
E-mail: cs@salemerode.com

CHANGES IN REGISTERED OFFICE

Pursuant to the order from Regional Director, Eastern Region Ministry of Corporate Affairs, Kolkata, dated March 24, 2021, our registered office was changed from 14, Motilal Nehru Road, Kolkata, West Bengal – 700029, India to Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai - 600083, Tamil Nadu, India

ADDRESS OF REGISTRAR OF COMPANIES

Our company is registered with the Registrar of Companies, Chennai situated at the following address:

Registrar of Companies, Chennai
Block No.6, B Wing 2nd Floor,
Shastri Bhawan 26, Haddows Road,

Chennai- 60034, Tamil Nadu, India.
Telephone: 044 - 28270071 / 28276654
E-mail: roc.chennai@mca.gov.in

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Letter of Offer:

Name	Age	Designation	Address	DIN
Kuzhuppilly Govinda Menon Anilkumar	62	Managing Director	Errekheth House, Sugrtham, Santhi Nagar, Irinjalakuda, North P. O., Thrissur, Kerala - 680125, India.	00766739
Umadevi Anilkumar	53	Non-Executive Director	Errekheth House, Sugrtham, Santhi Nagar, Irinjalakuda, North P. O., Thrissur, Kerala - 680125, India.	06434467
T G Babu	69	Independent Director	Thainakathu House, PO Annalloor, Near M T Hospital, Kundai, Thrissur- 680 731, India.	08315374
Saseendran Veliyath	74	Independent Director	Veliyath House, Ettumuri Road, Chettiparambu, Irinjalakuda-680121, Kerala, India.	08205871
Ambadath Aiyappan Balan	86	Independent Director	Ambadath, Avittathur, Near SNDP, Kaduppassery, Thrissur, Kerala – 680683, India.	01996253
Shinto Stanly	40	Chairman and Independent Director	Elenjickal House, Edavilangu P.O., Kodungallur, Thrissur, Kerala - 680671, India.	06534505

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Visakh Thazhathu Veedu
Main Road, Irinjalakuda, Thrissur, Kerala - 680121, India
Telephone: +91 480 267 0400, 282 8071, 283 1305
E-mail: cs@iclfincorp.com

CHIEF FINANCIAL OFFICER

Mr. Madhavankutty Thekkedath
Main Road, Irinjalakuda, Thrissur, Kerala - 680121, India.
Telephone: +91 480 267 0400, 282 8071, 283 1305
E-mail: cfo@iclfincorp.com

REGISTRAR TO THE ISSUE

M/s Cameo Corporate Services Limited
Subramanian Building, No. 1 Club House Road
Chennai, Tamil Nadu- 600 002, India.
Telephone: +91 44 4002 0700 / 2846 0390
E-mail: rights@cameoindia.com
Website: www.cameoindia.com
Investor grievance e-mail: investor@cameoindia.com
Contact Person: K. Sree Priya
SEBI Registration No.: INR000003753

STATUTORY AUDITORS

Mohandas & Associates, Chartered Accountants

3rd Floor, “Sree Residency”, Press Club Road,
Thrissur, Kerala - 680001, India.

Telephone: +91 487-2333124, 2321290

Email: ma.auditors@gmail.com

Contact Person: Mohandas Anchery

Membership No.: 036726

Firm Registration No.: 002116S

Peer Review Certificate No.: 016256

EXPERT OPINION

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

Our Company has received a written consent dated March 26, 2026, from our Statutory Auditors, M/s Mohandas & Associates, Chartered Accountants, to include their name in this Draft Letter of Offer and as an “expert”, as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of (i) the Unaudited Standalone Financial Statements of the Company for the nine months period ended December 31, 2025 and their audit report thereon dated February 12, 2026 (ii) the Audited Standalone Financial Statements of the Company for the Fiscal Year 2025 and their audit report thereon dated May 15, 2025; and (iii) the statement of special tax benefits dated March 26, 2026, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer. However, the term “expert” shall not be construed to mean an “expert” as defined under the Securities Act.

Further, our Company has received written consent dated March 26, 2026, from M/s Manikandan & Associates, Chartered Accountants, previous Statutory Auditor to include their name as required under Section 26 (1) of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Letter of Offer in their capacity as our previous Statutory Auditor and in respect of the Audited Financial Statement for the previous financial year along with reports issued thereon dated May 29, 2024, included in this Draft Letter of Offer and such consent has not been withdrawn as on the date of this Draft Letter of Offer.

BANKER TO THE ISSUE AND REFUND BANK:

[•]

LEGAL ADVISOR TO THE ISSUE

Rajani Associates

Advocates and Solicitors

204-207, Krishna Chambers

59 New Marine Lines

Mumbai 400 020

Telephone: +91 22 4096 1002

E-mail: sangeeta@rajaniassociates.net

Contact Person: Sangeeta Lakhi

SELF-CERTIFIED SYNDICATE BANKS

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at <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 at <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.

CREDIT RATING

As the present issue pertains to equity shares, obtaining a credit rating is not applicable.

DEBENTURE TRUSTEES

As this Issue is of Equity Shares, the appointment of a debenture trustee is not required.

MONITORING AGENCY

Our company has appointed **CARE Ratings Limited** as the Monitoring Agency to monitor the utilization of the Gross Proceeds in terms of Regulation 82 of the SEBI ICDR Regulations.

Name: **CARE Ratings Limited**

Address: 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai 400 022.

Tel. number: 044 - 28490812

E-mail ID: dalish.sequeira@careedge.in

Website: www.careratings.com

Contact Person: Dalish Sequeir

SEBI registration number: IN/CRA/004/1999

CIN: L67190MH1993PLC071691

UNDERWRITING AGREEMENT

This Issue will not be underwritten, and our Company has, therefore, not entered into an underwriting arrangement.

FILING

The Draft Letter of Offer has been filed with BSE Limited and not with SEBI. However, the Letter of Offer will be filed with BSE Limited and shall be submitted with SEBI for information and dissemination.

MINIMUM SUBSCRIPTION

In accordance with Regulation 86 of the SEBI ICDR Regulations, the objects of the Issue do not involve financing of capital expenditure. Further, Our Promoters and Promoter Group have undertaken that they shall subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group or Specific investor) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is not applicable to the Issue.

In the event the Promoter renounces its Right Entitlement in the favour of third party (other than other Promoters or member of the Promoter Group or Specific investor, as disclosed in this Letter of Offer) minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply and consequently, it would be mandatory for the Issuer to achieve a minimum subscription for at least ninety percent (90%) of the total issue size in a Rights Issue. The Company is, therefore, committed to ensuring compliance with this regulatory requirement and will take all necessary steps to achieve the prescribed minimum subscription level, if applicable.

CAPITAL STRUCTURE

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

(Rs. in Lakhs, except the share data)

Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A. AUTHORISED SHARE CAPITAL		
10,00,00,000 Equity Shares of Re. 1 each	1000.00	-
B. ISSUED, SUBSCRIBED AND FULLY PAID-UP CAPITAL BEFORE THE ISSUE		
1,14,65,520 Equity Shares of Re. 1 each	114.66	-
C. PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER⁽¹⁾		
Up to [●] Rights Equity Shares, each at a premium of Rs. [●]/- per Rights Equity Share, i.e., at a price of Rs. [●]/- per Rights Equity Share.	[●]	[●]
D. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE⁽²⁾		
Upto [●] Equity Shares of face value of Re. 1.00 each paid up	[●]	-
E. SECURITIES PREMIUM ACCOUNT		
Before the Issue		Nil
After the Issue		[●]

(1) The Issue has been authorized by a resolution of our Board passed at its meeting held on March 24, 2026 pursuant to Section 62 of the Companies Act, 2013.

(2) Assuming full subscription and allotment of the Rights Equity Shares.

Notes to the Capital Structure

1. **Shareholding Pattern of our Company as per the last quarterly filing with the Stock Exchange, in compliance with the SEBI Listing Regulations:**
 - a) The shareholding pattern of our Company, as on December 31, 2025, can be accessed on the website of the BSE at: <https://www.bseindia.com/stock-share-price/salem-erode-investments-ltd/salem/540181/qtrid/128.00/shareholding-pattern/Dec-2025/>
 - b) The statement showing holding of Equity Shares of the Promoter and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on December 31, 2025, can be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540181&qtrid=128.00&QtrName=Dec-25>
 - c) A statement as on December 31, 2025, showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category "Trading Members", including equity shareholders holding more than 1% of the total number of Equity Shares, as well as details of shares which remain unclaimed may be accessed on the website of the BSE at: <https://www.bseindia.com/corporates/shpdrPercent.aspx?scripcd=540181&qtrid=128.00&CompName=Salem%20Erode%20Investments%20Ltd&QtrName=Dec-25&Type=TM>
 - d) The statement showing holding of Equity Shares of persons belonging to the category "Public" as on December 31, 2025, can be accessed on the website of the BSE at:

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=540181&qtrid=128.00&QtrName=Dec-25>

2. No Equity Shares held by our Promoter and Promoter Group are locked-in, pledged or encumbered as on date of this Draft Letter of Offer.
3. No Equity Shares have been acquired by the Promoter or members of the Promoter Group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with Stock Exchange and submission to SEBI.
4. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of SEBI SAST Regulations is ₹[●].
5. Our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of this Draft Letter of Offer.
6. There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer.
7. As on the date of this Draft Letter of Offer, our Company has no employee stock option scheme.

OBJECTS OF THE ISSUE

The Issue comprises of up to [●] Rights Equity Shares of face value of ₹ 1/- each for a cash price at ₹[●] per Rights Equity Share (including a premium of ₹[●] per Rights Equity Share) aggregating up to ₹ 2,293.10 Lakhs. For further details, see “*Summary of this Draft Letter of Offer*” and “*The Issue*” on pages 19 and 46, respectively.

Our Company intends to utilize the proceeds of the Issue (the “**Gross Proceeds**”), after deducting Issue related expenses (“**Net Proceeds**”) towards the following objects:

1. To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities; and
2. General corporate purposes

(Collectively, referred to herein as the “**Objects**”)

The main objects clause of our Memorandum of Association and the objects incidental and ancillary to the main objects enable us to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects clause of our Memorandum of Association.

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

Details of the Object of the Issue

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

(Rs. in Lakhs)

Particular	Estimated Amount
Gross Proceeds from the Issue*	2,293.10
Less: Issue related expenses**	60.00
Net Proceeds from the Issue	2,233.10

*Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.

**To be finalized upon determination of the Issue Price and updated in the Letter of Offer. For further details, see “– *Estimated Issue Expenses*” on page 55.

Requirement of Funds and Utilization of Net Proceeds

The Net Proceeds are proposed to be utilized in accordance with the details set forth in the following table:

(₹ in lakhs)

Sr. No.	Particulars	Estimated Amount
1	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities:	2,000.00
2	General Corporate Purposes*	233.10
	Net Proceeds#	2,233.10

*The amount to be utilized towards General Corporate Purposes will not exceed 25% of the Gross Proceeds.

#Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment

Schedule of Implementation and Deployment of Net Proceeds

The following table provides for the proposed deployment of funds, after deducting Issue related expenses:

Sr. No.	Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds (F.Y. 2026-27)
1	To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our	2,000.00	2,000.00

Sr. No.	Particulars	Amount proposed to be funded from Net Proceeds	Proposed schedule for deployment of the Net Proceeds (F.Y. 2026-27)
	NBFC activities;		
2	General Corporate Purposes*	233.10	233.10
	Net Proceeds#	2,233.10	2,233.10

*The amount to be utilized towards General Corporate Purposes will not exceed 25% of the Gross Proceeds.

#Assuming full subscription in the Issue and subject to the finalization of the Basis of Allotment

The funds requirements and deployment of Net Proceeds as described herein are based on various factors including current business plan, management estimates and current circumstances of our business and operations. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy, market conditions, competitive environment and interest rate fluctuations, interest and financing charges and other external factors which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from the planned funding requirements at the discretion of our management, subject to compliance with applicable laws.

In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, business considerations may require us to explore a range of options including utilising our internal accruals or seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Issue.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects, as per the estimated scheduled of deployment specified above, our Company shall deploy the Net Proceeds in subsequent financial years towards the aforementioned objects, subject to compliance with applicable law.

The above fund requirements are based on our current business plan and internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details, please see the section titled “**Risk Factors**” beginning on page 22 of this Draft Letter of Offer.

Means of Finance

Since our Company is not proposing to fund any specific project from the Net Proceeds, the requirement to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance for such projects proposed to be funded from the Net Proceeds is not applicable.

Details of the Objects of the Issue

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

1. To augment our capital base and provide for our fund requirements for increasing our operational scale with respect to our NBFC activities

We are a non-deposit taking NBFC – Base Layer primarily engaged in the Gold Loan business, lending money against the pledge of household jewellery (“**Gold Loans**”). We are registered with RBI as a non-deposit taking NBFC (Registration No. B-07-00882 dated December 06, 2021) under Section 45 IA of the RBI Act. As per the capital adequacy norms issued by RBI, we are required to maintain a minimum capital adequacy ratio, consisting of Tier I capital and Tier II capital. The total of Tier II Capital at any point of time, cannot exceed 100% of Tier I Capital. The minimum capital ratio as prescribed by RBI guidelines and applicable to our Company, consisting of Tier I and Tier II capital, cannot be less than 15% with Tier I not being below 12% of our aggregate risk weighted assets on-balance sheet and of risk adjusted value of off- balance sheet. In addition to the core business of Gold Loan, we are also permitted to undertake various financial services including hire purchase, leasing, and investment activities. Other offerings such as personal loans and Business Loans are provided selectively.

We intend to utilise upto ₹ 2000.00 lakhs from the Net Proceeds towards augmenting our capital base to meet our future funding requirements for our business activities, including towards onward lending, strengthening our balance sheet and to ensure compliance with the requirements prescribed under the RBI Master Directions. This is expected to arise out of growth of our business and assets. The amount raised will primarily be used to expand our business operations. We intend to increase our lending/financing portfolio qualitatively and quantitatively target eligible clients for secured and unsecured loans. No portion of the amount earmarked towards this object will be utilized for giving loans to our Promoter, Subsidiaries, Associates, Group Companies and Promoter Group Companies.

2. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating up to ₹ 233 Lakhs towards general corporate purposes, provided that the amount to be utilized for general corporate purposes shall not exceed 25% of the Gross proceeds of the Issue. Our Board will have flexibility in utilising the amount towards general corporate purposes, to drive our business growth, including, amongst other things, investments for inorganic growth, capital expenditure, funding growth opportunities, including strategic initiatives including repayment of outstanding loans, meeting our working capital requirements, payment of principal, interest on borrowings, 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 applicable laws.

Our management will have flexibility 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 actually available under this head and the business requirements of our Company, from time to time.

ISSUE RELATED EXPENSES

The Issue related expenses consist of fees payable to the Advisors, Legal Counsel, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Rights Equity Shares on the Stock Exchange. Our Company will need approximately ₹ 60 lakhs/- (Rupees Sixty Lakhs) towards these expenses, a break-up of the same is as follows:

Particulars	Amount (₹ in Lakhs)	As a Percentage of total expense	As a percentage of total Issue Size
Brokerage, selling commission and upload fees	Nil	0.00%	0.00%
Fees payable to Registrar to the Issue	6.00	10.00%	0.26%
Fee payable to the legal advisor and other professional service providers*	25.00	41.67%	1.09%
Fees payable to Monitoring Agency	3.00	5.00%	0.13%
Advertising, Marketing expense	5.00	8.33%	0.22%
Fees payable to regulators, including SEBI, Stock Exchanges, Depositories and other statutory fees.	12.00	20.00%	0.52%
Printing and stationery, distribution, postage, etc.	2.00	3.33%	0.09%
Other expenses (including fees payable to Escrow Broker, Escrow banker, stamp duty and other certification expenses)	7.00	11.67%	0.31%
Total estimated Issue expenses	60.00	100.00%	2.62%

Note : Subject to finalization of Basis of Allotment and assuming the full subscription. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.

**Includes fees payable to Legal counsel, transaction advisors and independent Chartered Accountants.*

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

As on date, our Company has not deployed any funds towards the Objects of the Issue.

APPRAISAL OF THE OBJECTS

None of the Objects of the Issue for which the Net Proceeds will be utilised have been appraised by any bank or financial institution.

STRATEGIC AND/OR FINANCIAL PARTNERS

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

BRIDGE FINANCING FACILITIES

Our Company has not raised or availed of any bridge financing facilities which are subject to being repaid from the Issue Proceeds.

INTERIM USE OF FUNDS

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

MONITORING OF UTILIZATION OF FUNDS

Our Company has appointed Care Ratings Limited as the Monitoring Agency to monitor utilization of proceed from the Issue, prior to filing the Letter of Offer, including the proceeds proposed to be utilised towards general corporate purposes in accordance with Regulation 82 of the SEBI ICDR Regulations. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose the utilization of the Net Proceeds, including interim use, under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI LODR Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilized. Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilized, if any, of such currently unutilized Net Proceeds.

Pursuant to Regulation 32(3) of the SEBI LODR Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds, which shall discuss, monitor and approve the use of the Net Proceeds along with our Board. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Net Proceeds have been utilized in full. The statement prepared on an annual basis for utilization of the Net Proceeds shall be certified by the Auditors.

Furthermore, in accordance with Regulation 32(1) of the SEBI LODR Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilization of the proceeds of the Issue from the Objects. This information will also be published on our website and explanation for such variation (if any) will be included in our Directors' report, after placing it before the Audit Committee.

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.

INTEREST OF PROMOTER, PROMOTER GROUP AND DIRECTORS, AS APPLICABLE TO THE OBJECTS OF THE ISSUE

None of our Promoter, members of the Promoter Group and the Directors have any interest in the Objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group, Directors, and Key Managerial Personnel of our Company.

OTHER CONFIRMATIONS

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoter, Directors, or Key Managerial Personnel of our Company in the ordinary course of business and no part of the Net Proceeds will be paid as consideration to any of them. Further, except as disclosed, none of our Promoter, members of Promoter Group or Directors are interested in the Objects of the Issue.

STATEMENT OF TAX BENEFITS

Date: March 26, 2026

To,
The Board of Directors
Salem Erode Investments Limited
Door No. 61/A8 (38/A8), VJP Parijatham Apartments,
1st Avenue, Ashok Nagar, Chennai - 600083, Tamil Nadu, India.

Sub: Proposed rights issue of fully paid-up equity shares of face value of ₹ 1/- each (“Rights Equity Shares”) of Salem Erode Investments Limited (the “Company” and such offering, the “Issue”), pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI Regulations”) and the Companies Act, 2013, as amended (the “Act”).

Dear Sir/Madam,

This certificate is issued in accordance with the terms of our engagement letter dated March 24, 2026 with the Company in the context of the Issue in accordance with Chapter III of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “SEBI ICDR Regulations”) and applicable provisions of the Companies Act, 2013, as amended (the “Companies Act”).

We, Mohandas & Associates, Chartered Accountants (ICAI FRN: 002116S) (the “Firm”) have been appointed by the Board of Directors of Salem Erode Investments Limited (the “Company”) as an “expert” as defined under Section 2(38) of the Companies Act, 2013, as amended in the Draft Letter of Offer (“DLOF”) intended to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) and BSE Limited (“BSE”) (the “Stock Exchange”), where the Equity Shares are proposed to be listed, as well as in other documents in relation to the Issue (the “Offer Documents”). The Company has asked us to furnish the captioned certificate towards the Tax Benefits of the Company, which would be forming part of the Offer Documents.

The Firm is independent of the Company in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We hereby report that the enclosed Statement, prepared by Salem Erode Investments Limited (the “Company”), states the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 2025, and Income-tax Rules, 2026, including amendments made by the Finance Act, 2026 (hereinafter referred to as “Income Tax Laws”); the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017; the respective State Goods and Services Tax Act, 2017; the Customs Act, 1962; the Customs Tariff Act, 1975, as amended; and the Foreign Trade (Development and Regulation) Act, 1992 (read with the Foreign Trade Policy), including the relevant rules, regulations, circulars and notifications issued thereunder (collectively referred to as “Indirect Tax Laws”), presently in force in India as of the date of signing, for inclusion in the Draft Letter of Offer/Letter of Offer for the proposed rights issue of the Company to its existing shareholders.

These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company or its shareholders to derive such special tax benefits is subject to compliance with these conditions, which will depend on the business imperatives the Company may face in the future. Accordingly, the Company or its shareholders may or may not choose to fulfill such conditions.

The benefits discussed in the enclosed Statement cover only the possible **special tax benefits** available to the Company and its shareholders and do not cover **general tax benefits**. The tax benefits listed herein are those that may be available under the current direct tax laws in force in India. Furthermore, any benefits available under other laws within or outside India have not been examined or included in this Statement.

The preparation of the enclosed Statement and its contents is the responsibility of the management of the Company. We have been informed that this Statement is intended only to provide general information to investors

and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences and the constantly evolving tax laws, each investor is advised to consult their own tax advisor with respect to the specific tax implications arising out of their participation in the proposed Issue. We are neither suggesting nor advising any investor to invest in the Issue based on this Statement.

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

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

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

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

The contents of the enclosed Statement are based on information, explanations, and representations obtained from the Company and our understanding of the Company’s business activities and operations. Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities or courts will concur with the views expressed herein. Our views are based on the current provisions of law and their interpretation, which are subject to change from time to time. We do not assume responsibility to update these views consequent to such changes. We shall not be liable to the Company for any claims, liabilities, or expenses arising out of 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 third party in respect of this Statement.

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

For and on behalf of
Mohandas & Associates, Chartered Accountants

Partner
Membership No.: 036726
UDIN: 26036726XDBTMB3474

Date: March 26, 2026
Place: Thrissur, Kerala

Encl: As above

ANNEXURE I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SALEM ERODE INVESTMENTS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INCOME TAX LAWS

1. Special tax benefits available to the Company under the Income Tax Laws

There are no special tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Income Tax Laws

There are no special tax benefits available to the shareholders of the Company.

Notes:

- a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.
- b. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
- c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2026-27. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant laws.
- d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
- e. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SALEM ERODE INVESTMENTS LIMITED (THE “COMPANY”) AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAWS

1. Special tax benefits available to the Company under the Indirect Tax Laws

There are no special indirect tax benefits available to the Company.

2. Special tax benefits available to the shareholders under the Indirect Tax Laws

There are no special indirect tax benefits applicable in the hands of shareholders for investing in the shares of the Company.

Notes:

- a. The above statement is based upon the provisions of the specified Indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.
- b. The above statement covers only the above-mentioned indirect tax laws benefits and does not cover any direct tax law benefits or benefit under any other law.
- c. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.
- d. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to updating the views consequent to such changes.

OUR MANAGEMENT AND ORGANISATION STRUCTURE

BOARD OF DIRECTORS

As on the date of this Draft Letter of Offer, our Board comprises of 6 Directors, which includes, One (1) Managing Director, and one (1) Non-Executive Non-Independent Director and four (4) Non-executive Independent directors. The present composition of our Board and its committees is in accordance with the provisions of the Companies Act and the SEBI Listing Regulations.

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

Sr. No.	Name, DOB, Age, Address, Occupation, Term, Period of Directorship	Age (in years)	Other Directorships
1.	KUZHUPPILLY GOVINDA MENON ANILKUMAR Date of Birth: June 28, 1963 DIN: 00766739 Address: Errekheth House, Sugrtham, Santhi Nagar, Irinjalakuda North P.O. Thrissur Kerala, India, 680125 . Designation: Managing Director Occupation: Business Current Term of Office: 5 Years Period of Directorship: Since February 17, 2020.	62	1. Laneseda Vanijya Private Limited 2. Snow View Tex Collections Private Limited 3. ICL Fincorp Limited 4. ICL Medilab Private Limited 5. ICL Tours & Travels Private Limited. 6. ICL IT Innovations Private Limited
2.	UMADEVI ANILKUMAR Date of Birth: April 06, 1972 DIN: 06434467 Address: Errekheth House, Sugrtham, Santhi Nagar, Irinjalakuda North P.O. Thrissur Kerala, India, 680125 Designation: Non-Executive Director Occupation: Business Current Term of Office: N.A. Period of Directorship: Since February 17, 2020	53	1. Laneseda Vanijya Private Limited 2. Snow View Tex Collections Private Limited 3. ICL Fincorp Limited 4. ICL Medilab Private Limited 5. ICL Tours & Travels Private Limited 6. ICL IT Innovations Private Limited
3.	T G BABU Date of Birth: November 21, 1956 DIN: 08315374 Address: Thainakathu House, Annalloor, PO, Near M T Hospital, Kundai, Thrissur- 680 731, Kerala, India. Designation: Independent Director Occupation: Business Current Term of Office: 5 Years Period of Directorship: Since February 17, 2020.	69	Nil
4.	SASEENDRAN VELIYATH Date of Birth: November 15, 1951 DIN: 08205871 Address: Veliyath House, Ettumuri, Chettiparambu, Irinjalakuda-680121, Kerala, India. Designation: Independent Director Occupation: Business Current Term of Office: 5 years Period of Directorship: Since February 17, 2020.	74	-
5.	AMBADATH AIYYAPPANBALAN Date of Birth: June 28, 1939 DIN: 01996253 Address: Ambadath, Avittathur, Near SNDP, Kaduppassery, Thrissur, Kerala – 680683, India.	86	1. ICL Fincorp Limited

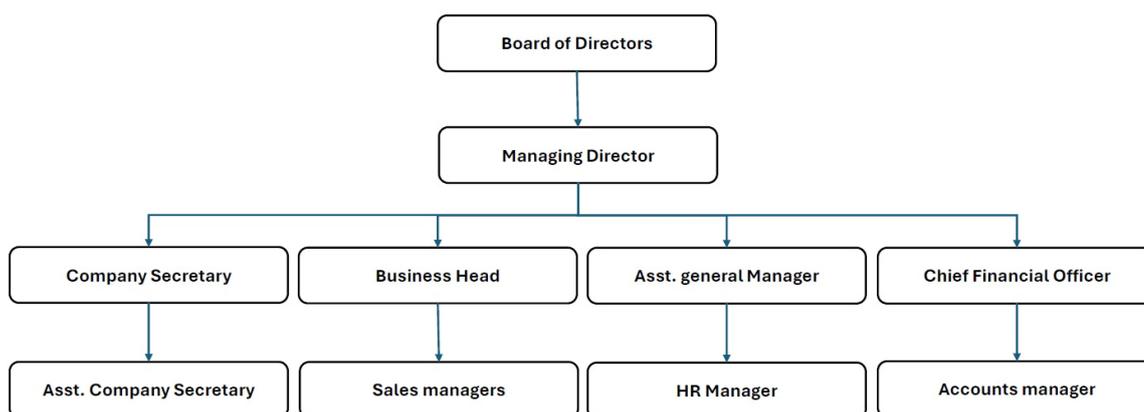
Sr. No.	Name, DOB, Age, Address, Occupation, Term, Period of Directorship	Age (in years)	Other Directorships
	Designation: Independent Director Occupation: Business Current Term of Office: 5 years Period of Directorship: Since September 29, 2021.		
6.	SHINTO STANLY Date of Birth: January 17, 1986 DIN: 06534505 Address: Elenjickal House, Edavilangu P.O., Kodungallur, Thrissur, Kerala - 680671, India. Designation: Chairman and Independent Director Occupation: Practicing Company Secretary Current Term of Office: 5 Years Period of Directorship: Since February 05, 2024.	40	1. Meenachil Finance Limited 2. ICL Fincorp Limited 3. Liya & Shinto Education Foundation

SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Name of Person	Designation	Associated with Company Since
1	Madhavankutty Thekkedath	Chief Financial Officer	January 13, 2022
2	Visakh Thazhathu Veedu	Company Secretary & Compliance Officer	December 27, 2024.

MANAGEMENT ORGANISATIONAL STRUCTURE



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SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Sr. No.	Particulars	Website Link
1.	Audited Financial Statements as at and for the year ended March 31, 2025	https://www.salemerode.com/corporate-information.html
2.	Unaudited limited reviewed financial statements as at and for the nine months period ended December 31, 2025	https://www.salemerode.com/corporate-information.html

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EXTRACT FROM THE AUDITED FINANCIAL STATEMENTS

Extract of the nine months period ended as on December 31, 2025 and Fiscal 2025 Audited Standalone Financial Statements prepared in accordance with applicable accounting standards for the last financial year (with the comparative prior full year period and nine months period ended), disclosed to the Stock Exchanges:

(₹ in Lakhs)

Particulars	Nine months period ended		Financial Year Ended	
	December 31, 2025	December 31, 2024	March 31, 2025	March 31, 2024
Total income from operations	279.39	296.51	385.28	409.22
EBITDA	(126.91)	(54.84)	(101.36)	69.61
Net Profit/(loss) before tax and extraordinary items	(349.83)	(368.56)	(495.12)	(177.09)
Net Profit/(loss) after tax and extraordinary items	(344.81)	(351.31)	(471.93)	(182.24)
Equity share capital	114.65	114.65	114.65	114.65
Reserves and surplus	1,478.18	1,943.19	1,822.96	2,293.36
Net worth	1,592.84	2057.84	1,937.62	2,408.02
Basic Earning per share (in ₹)	(3.01)	(3.06)	(4.12)	(1.59)
Diluted Earning per share (in ₹)	(3.01)	(3.06)	(4.12)	(1.59)
Return on net worth (in %)	(21.65)	(17.07)	(24.36)	(7.57)
Net Asset Value per Share (in ₹)	13.89	17.95	16.90	21.00

Notes:

EBITDA: calculated as profit/(loss) before tax, plus, depreciation and amortization expense excluding other income. This gives information regarding the operating profits generated by our Company in comparison to the revenue from operations of our Company

Basic EPS: Net Profit for the year attributable to owners of our Company/ weighted average number of Equity Shares outstanding during the year / period.

Diluted EPS: Net Profit for the year attributable to owners of our Company/weighted average number of Equity Shares outstanding during the year / period as adjusted for effective of dilutive equity shares

Return on net worth: Net Profit for the year / period attributable to owners of our Company/Net Worth

Net Asset value per share: Net Worth/ number of Equity Shares issued, subscribed and fully paid outstanding as at the end of the year / period.

The audited financial statements and report issued thereon for the year ended March 31, 2025 and unaudited limited reviewed financial statements as at and for the nine months period ended December 31, 2025 are available on the website of the Company at <https://www.salemerode.com/corporate-information.html>.

DETAILED RATIONALE FOR THE ISSUE PRICE

The Issue Price has been determined by our Company on the basis of an assessment of market demand for the Equity Shares offered and on the basis of the qualitative and quantitative factors as described below:

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue Price are set forth below:

1. Non-deposit taking NBFC in the Gold Loan sector with a long operating history

We have established a strong presence in the districts of Tamil Nadu, which are key focus markets for our gold loan business. These districts are characterized by significant economic activity driven by agriculture, textile, trading and small business enterprises, along with high household ownership of gold, resulting in sustained demand for gold-backed financing. Over the years, we have developed a well-penetrated branch network in these districts, supported by experienced and product-focused teams, enabling us to service customers efficiently through streamlined onboarding processes and timely disbursement of loans. We believe that the proximity of our branches to customers and our focus on transparent lending practices have contributed to strong customer relationships and repeat business in these markets.

2. Experienced management team and skilled personnel

We believe that our experienced management team and skilled personnel are integral to the effective conduct and growth of our business. Our management team comprises professionals with significant experience in the financial services sector, including lending operations, risk management, compliance, finance and branch operations. They are supported by trained and experienced personnel across our branch network who are responsible for customer acquisition, loan appraisal, disbursement, monitoring and recovery. We believe that the collective experience of our management team and operational staff enables us to implement our business strategy efficiently, maintain robust internal controls and compliance systems, and deliver consistent service quality to our customers.

3. Advanced technology systems and established processes

We believe that our advanced technology systems and established processes support the efficient and controlled conduct of our operations. Our technology infrastructure enables centralized monitoring of branch operations, customer onboarding, loan processing, disbursement and collection, while facilitating timely generation of management information and regulatory reports. We have implemented standardized operating procedures across our branch network, supported by system-driven controls, which help ensure consistency in operations, adherence to internal policies and compliance with applicable regulatory requirements. We believe that our technology systems and established processes enhance operational efficiency, risk management and service delivery across our business.

4. Safeguarding of collateral

We have established processes and internal controls for the safeguarding of collateral pledged by our customers. Such processes include standardized procedures for the receipt, verification, valuation, storage and release of collateral, supported by defined access controls and monitoring mechanisms at locations. We believe that these controls, along with periodic internal checks and audits, help us mitigate operational risks associated with custody and handling of collateral and support the protection of customer assets in the ordinary course of our business.

Quantitative factors

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1. **Basic and Diluted Earnings Per Share (EPS)**

(₹ in Lakhs, except per share data)

Particulars	For the nine months period ended December 31, 2025	For the financial year ended March 31, 2025
Basic earnings per share (₹)	(3.01)	(4.12)
Diluted earnings per share (₹)	(3.01)	(4.12)
Return on Net Worth (%)	(21.65)	(24.36)
Net Asset Value per Equity Share (₹)	13.89	16.90
EBITDA (₹ in lakhs)	(126.91)	(101.36)

2. **Return of Net Worth**

(₹ in Lakhs, except percentages)

Particulars	For the nine months period ended December 31, 2025	For the financial year ended March 31, 2025
Net Profit/ (Loss) after Tax (A)	(344.81)	(471.93)
Equity Share Capital (B)	114.66	114.66
Other Equity (including non-controlling interest) (C)	1,478.18	1,822.96
Net Worth (D) = (B+C)	1,592.84	1,937.62
Return on Net Worth (A / D) * 100 (%)	(21.65)	(24.36)

3. **Net asset value per Equity Share**

(₹ in Lakhs, except per share data)

Particulars	For the nine months period ended December 31, 2025	For the financial year ended March 31, 2025
Net Worth (A)	1,592.84	1,937.62
No. of Equity Shares subscribed and fully paid up outstanding (B)	11465520.00	11465520.00
Net Assets Value per Equity Share [(A * 100,000) / B]	13.89	16.90

4. **Market Price of Equity Shares**

Market Price as on the date of the Draft Letter of Offer is ₹ [●] per share.

The ex-rights price of the Equity Shares as per regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●] per Equity Share.

The Issue Price is [●] times of the face value of the Equity Share.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Our Company is required to obtain consents, licenses, permissions and approvals from various governmental and regulatory authorities that are required for carrying on our present business operation. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the Projects are located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue:

We are not required to obtain any licenses or approvals from any government or regulatory authority for the objects of this Issue. For further details, please refer to the chapter titled “*Objects of the Issue*” at page 53 of this Draft 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 March 24, 2026, to raise funds by issuance and allotment of equity shares for an aggregate amount of up to ₹2,293.10 Lakhs (Rupees Two Thousand Two Hundred Ninety Three Point Ten Lakhs only), to all the eligible equity shareholders of the Company, as on the record date (*to be notified later*) on a rights basis (“**Rights Issue**”) on such terms as may be decided by the Board of Directors, subject to receipt of regulatory/statutory approvals, in accordance with the applicable provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, SEBI Listing Regulations, and the Companies Act, 2013 and rules made thereunder, as amended from time to time.

The Draft Letter of Offer has been approved by our Board of Directors, at a meeting held on March 26, 2026.

Our Board in its meeting held on [●] has resolved to issue the Equity Shares on rights basis to the Eligible Equity Shareholders, at ₹ [●] per Equity Share (*including a premium of ₹ [●] per Equity Share*) aggregating up to ₹ 2,293.10 lakhs. The Issue Price is ₹ [●] per Equity Share and has been arrived at by our Company in consultation with the Advisor to the Issue prior to determination of the Record Date.

The Letter of Offer has been approved by our Board of Directors, at the meeting held on [●] 2026.

Our Company has received in-principle approvals from BSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares to be allotted in this Issue pursuant to letter dated [●]. Our Company will also make applications to BSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI ICDR Regulations.

Our Company has been allotted the ISIN: [●] 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 [●] of this Draft Letter of Offer.

Prohibition by SEBI or other Governmental Authorities

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

Neither our Company nor our Promoter have been penalized by SEBI for violations of provisions of SEBI LODR Regulations and SEBI (Prohibition of Insider Trading) Regulations, 2015 in the last 5 years. There are no outstanding SEBI actions against our Company or our Promoter as on the date of this Draft Letter of Offer. For details, see chapter titled “*Government and Other Statutory Approvals*” and “*Other Regulatory and Statutory Disclosures*” on page 68 and 69, respectively.

None of our Promoter, the Directors, persons in control of our Company or the persons in control of our Promoter was or is a promoter, director or person in control of any other company which has been restrained, prohibited or 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 the Directors of our Company are associated with the capital market in any manner. SEBI has not initiated action against any entity with which our Directors are associated.

Neither our Promoter nor our Directors are declared as Fugitive Economic Offenders under Section 12 of Fugitive Economic Offenders Act, 2018.

Association of our Directors with the securities market

None of our Directors are associated with the securities market.

Prohibition by RBI

Neither our Company, our Promoter nor our Directors have been or are identified as Wilful Defaulters or Fraudulent Borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

Eligibility for the Issue

Our Company is a listed company, incorporated under the Companies Act, 1913. The Equity Shares of our Company are presently listed on the BSE. We are eligible to undertake the Issue in terms of Chapter III of SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the requirements of Regulation 61 and 62 of the SEBI ICDR Regulations to the extent applicable. Our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the purpose of the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

- a) Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable, for the last one year immediately preceding the date of filing of this Draft Letter of Offer with the BSE Limited;
- b) The reports, statements and information referred to in sub-clause (a) above are available on the website of the BSE; and
- c) Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, an appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSES

1. Disclaimer clause of SEBI

The Draft Letter of Offer has not been filed with SEBI in terms of SEBI ICDR Regulations.

2. Disclaimer from our Company

Our Company accepts no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisement or any other material issued by our Company or by any other persons at the instance of our Company and that anyone placing reliance on any other source of information would be doing so at their own risk.

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

Cautions

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under **circumstances** and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

3. Disclaimer with respect to jurisdiction

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

4. Disclaimer Clause of the BSE

“BSE Limited ("the Exchange") has given vide its letter dated [●], 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:

- Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or
- Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange;
- 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.”

5. Disclaimer clause of the RBI, the IRDAI and of any other regulatory authority (if applicable)

Our Company has a valid certificate of registration dated December 06, 2021, bearing Registration Number B-07-00882, issued by the RBI under Section 45 IA of the RBI Act. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits /discharge of liabilities by the Company.

Designated Stock Exchange

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

Filing

This Draft Letter of Offer is being filed with the Stock Exchange i.e., BSE as per the provisions of the SEBI ICDR Regulations. Further, in terms of SEBI ICDR Regulations, our Company will Letter of Offer with SEBI through

email in terms of the SEBI circular bearing reference no. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2025/31 dated March 11, 2025, issued by the SEBI, for record purposes only.

Selling Restrictions

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

The distribution of the Issue Material and the issue of Rights Entitlements and Rights Equity Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Material may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders and will send/dispatch the Issue Material only to such Eligible Equity Shareholders who have provided an Indian address to our Company/Registrar.

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

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

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

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

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES OR THE RIGHTS ENTITLEMENTS BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

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 THIS DRAFT LETTER OF OFFER ARE BEING OFFERED IN INDIA, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY 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, THIS DRAFT LETTER OF OFFER SHOULD NOT BE FORWARDED TO OR TRANSMITTED IN OR INTO THE UNITED STATES AT ANY TIME.

Accordingly, the Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form 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 subscriptions 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 will accept subscriptions 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. No payments for subscribing for the Rights Equity Shares shall be made from US bank accounts and all persons subscribing for the Rights Equity Shares and wishing to hold such Rights Equity Shares in registered form must provide an address for registration of the Rights Equity Shares in India.

We, the Registrar, or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which: (i) does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations; (ii) appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where we 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 in respect of any such Application Form.

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

NO OFFER IN ANY JURISDICTION OUTSIDE INDIA

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

Investor Grievances and Redressal System

In compliance with Securities and Exchange Board of India Master Circular for Online Dispute Resolution (“ODR”) bearing reference number SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (“SEBI

ODR Master Circular”) we have completed the registration process of our Company on the Smart Market Approach for Resolution through ODR Portal (‘**SMART ODR**’). Further we undertake to resolve and take action on the complaints received in respect of the Issue expeditiously and satisfactorily and in accordance with the timelines provided under the SEBI ODR Master Circular and Securities and Exchange Board of India Circular bearing reference number SEBI/HO/OIAE/IGRD/CIR/P/2023/156 dated September 20, 2023. The Company has authorized its Company Secretary as the Compliance Officer to redress all complaints in relation to the Issue including any complaints regarding the post–issue activities of the Issue such as allotment, refund, and dispatch.

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

Our Company has a Stakeholders’ Relationship Committee which meets at least once a year and as and when required, to deal with and monitor redressal of complaints from shareholders. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.

Niche Technologies Private Limited is our Registrar to the Company. 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 21 days from the receipt of the complaint.

Investor Grievances arising out of the Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue. The agreement between the Company and the Registrar to the Issue provides for a period for which records shall be retained by the Registrar to the Issue in order to enable the Registrar to the Issue to redress grievances of Investors.

Investors may contact the Registrar to the Issue, or our Company Secretary and Compliance Officer for any Issue related matters. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole / first holder, folio number or demat account number, serial number of the Application Form, number of the Rights Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, see “*Terms of the Issue*” on page 76.

Investors may contact the Registrar to the Issue at:

Cameo Corporate Services Limited

Subramanian Building, No. 1, Club House Road,
Mount Road, Chennai 600 002, Tamil Nadu, India.

Tel. No.: +91 44 4002 0700 / 2846 0390

Email: rights@cameoindia.com

Website: www.cameoindia.com

Investor grievance email: investor@cameoindia.com

Contact person: K. Sree Priya

Sebi Reg. No.: INR000003753

CIN: U67120TN1998PLC041613

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue/ post -Issue related matters such as non-receipt of Allotment Advice/demat credit/refund orders etc.

Visakh Thazhathu Veedu

Company Secretary and Compliance Officer

Door No. 61/A8 (38/A8), VJP Parijatham Apartments, 1st Avenue, Ashok Nagar, Chennai, Chennai, Tamil Nadu, India, 600083

Telephone: 044 46053887

Email: cs@salemerode.com

Website: www.salemerode.com

SECTION VI – ISSUE 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 Draft 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 Draft 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 Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the Eligible Equity Shareholders proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in the Draft Letter of Offer.

The Eligible Equity Shareholders are requested to note that application in this issue can only be made through ASBA.

Please note that our Company has opened a separate demat suspense escrow account (namely, “[●]”) (“Demat Suspense Account”) and would credit Rights Entitlements on the basis of the Equity Shares: (a) held by Eligible Equity Shareholders which are held in physical form as on Record Date; or (b) which are held in the account of the Investor Education and Protection Fund (“IEPF”) authority; or (c) of the Eligible Equity Shareholder whose demat accounts are frozen or where the Equity Shares are lying in the unclaimed / suspense escrow account / demat 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 where Equity Shares have been kept in abeyance or where entitlement certificate has been issued or where instruction has been issued for stopping issue or transfer or where letter of confirmation lying in escrow account; or (d) where credit of the Rights Entitlements have returned/reversed/failed for any reason; or (e) where ownership is currently under dispute, including any court or regulatory proceedings or where legal notices have been issued, if any or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons or (f) such other cases where our Company is unable to credit Rights Entitlements for any other reasons. Please also note that our Company has credited Rights Entitlements to the Demat Suspense Account on the basis of information available with our Company and to serve the interest of relevant Eligible Equity Shareholders to provide them with a reasonable opportunity to participate in the Issue. The credit of the Rights Entitlements to the Demat Suspense Account by our Company does not create any right in favour of the relevant Eligible Equity Shareholders for transfer of Rights Entitlement to their demat account or to receive any Equity Shares in the Issue.

With respect to the Rights Entitlements credited to the Demat Suspense Account, the Eligible Equity Shareholders are requested to provide relevant details / documents as acceptable to our Company or the Registrar (such as applicable regulatory approvals, self-attested PAN and client master sheet of demat account, details/ records confirming the legal and beneficial ownership of their respective Equity Shares, etc.) to our Company or the Registrar no later than two clear Working Days prior to the Issue Closing Date, i.e., by [●], to enable credit of their Rights Entitlements by way of transfer from the Demat Suspense 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. In the event that the Eligible Equity Shareholders are not able to provide relevant details to our Company or the Registrar by the end of two clear Working Days prior to the Issue Closing Date, Rights Entitlements credited to the Demat Suspense Account shall lapse and extinguish in due course and such Eligible Equity Shareholder shall not have any claim against our Company and our Company shall not be liable to any such Eligible Equity Shareholder in any form or manner.

Further, with respect to Equity Shares for which Rights Entitlements are being credited to the Demat Suspense Account, the Application Form along with the Rights Entitlement Letter shall not be dispatched till the resolution of the relevant issue/concern and transfer of the Rights Entitlements from the Demat

Suspense Account to the respective demat account other than in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date who will receive the Application Form along with the Rights Entitlement Letter. Upon submission of such documents /records no later than two clear Working Days prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Equity Shareholder. The identified Eligible Equity Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible Equity Shareholder.

Overview

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the 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, FEMA, FEMA NDI Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE and the terms and conditions as stipulated in the Allotment Advice.

I. DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and other applicable laws, the Rights Entitlements will be credited to the demat account of the Eligible Equity Shareholders who are Equity Shareholders as on the Record Date, however, the 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 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 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 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.salemerode.com;
- (ii) the Registrar at www.cameoindia.com; and
- (iii) the Stock Exchange at www.bseindia.com.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar at www.cameoindia.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 at www.salemerode.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 Rights Entitlement Letter and the Application Form or delay in the receipt of the 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, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any

jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchange. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the 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 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 authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Issue Materials 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 Issue Materials should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the 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 or their respective affiliates to any filing or registration requirement (other than in India). If the 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 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 or their respective 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, SEBI ICDR Master Circular, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

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. For further details on the Rights Entitlements and demat escrow account, see "*Terms of Issue- Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 92.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

a) **Facilities for Application in this Issue:**

ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, please refer to "*Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 83 of this Draft Letter of Offer.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein that the ASBA Account 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 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” on page 101. 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, Investors 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” on page 93.

b) Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholders will have the option to:

- (i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Rights 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 Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
- (v) renounce its Rights Entitlements in full.

c) Procedure for Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branch 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.

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

Please note that subject to SCSBs complying with the requirements of SEBI ICDR Master Circular and SEBI Rights Issue Circular, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, 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 Investors applying through ASBA:

- (i) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (ii) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (iii) 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.
- (iv) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (v) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- (vi) 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.
- (vii) 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.
- (viii) 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.
- (ix) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated Feb 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

Don'ts for Investors applying through ASBA

- (i) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (ii) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (iii) Do not send your physical Application to the Registrar, 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.
- (iv) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.
- (v) Do not submit Application Form using third party ASBA account.

(vi) Do not submit Multiple Application Forms.

d) **Application by Specific Investor(s), if any and applicable:**

In case of renunciation of Rights Entitlement to Specific Investor(s) by our Promoter or members of our Promoter Group

Our Promoter or members of our Promoter Group may renounce any portion of their Rights Entitlement to one or more Specific Investor(s) subject to disclosure of the same in terms of the SEBI ICDR Regulations. The name of the Specific Investor(s) (i.e. the Renouncee), the name of our Promoter or members of our Promoter Group (i.e. renouncer) and the number of Rights Entitlements renounced in favour of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date.

In case of such renunciation of Rights Entitlement by our Promoter or members of our Promoter Group to any Specific Investor, all rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Specific Investor(s) (i.e. the Renouncee) as well.

Time limit for renouncing of RE by Promoter and members of Promoter Group and credit of RE to specific investor should be specified such that specific investor is able to apply before 11:00 am on Issue Opening Date. Onmarket RE renunciation may not be possible in such case considering T+2 rolling settlement.

The Application by such Specific Investor(s) shall be made on the Issue Opening Date before 11:00 a.m. (Indian Standard Time) and no withdrawal of such Application by the Specific Investor(s) shall be permitted.

Our Company undertakes to disclose to the Stock Exchange(s) whether such Specific Investor(s) have made the Application or not, for dissemination on the Issue Opening Date by 11:30 a.m. (Indian Standard Time).

In case of allotment of any undersubscribed portion of the Rights Issue to Specific Investor

Our Company may allot any undersubscribed portion (if any) of the Rights Issue to one or more Specific Investor(s) and the names of such Specific Investor(s) shall be disclosed by our Company in the public advertisement at least two days prior to the Issue Opening Date. The Application by such Specific Investor(s) shall be made along with their Application Money before the finalisation of Basis of Allotment for undersubscribed portion of the Rights Issue in co-ordination with our Company and Registrar.

e) **Applications on Plain Paper under ASBA process**

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs.

Alternatively, Eligible Equity Shareholders may also use the Application Form available online on the websites of our Company, the Registrar to the Issue, the Stock Exchange to provide requisite details.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that in terms of Regulation 78 of SEBI ICDR Regulations, 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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- (i) Name of our Company, being Salem Erode Investments Limited;
- (ii) 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);
- (iii) Folio Number (in case of Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date) / DP and Client ID No.;
- (iv) Number of Equity Shares held as on Record Date;
- (v) Allotment option preferred - only Dematerialised form;
- (vi) Number of Rights Equity Shares entitled to;
- (vii) Number of Rights Equity Shares applied for within the Rights Entitlements;
- (viii) Number of Additional Rights Equity Shares applied for, if any; (applicable only if entire Rights Entitlements have been applied for);
- (ix) Total number of Rights Equity Shares applied for;
- (x) Total amount paid at the time of application of ₹ [●] per Rights Equity Share;
- (xi) Details of the ASBA Account such as the 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) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the Applicants;
- (xiv) Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- (xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence);
- (xvi) Additionally, all such Applicants are deemed to have accepted the following:

"I/We understand that neither the Rights Entitlement nor the Rights Equity Shares have been, and will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof ("United States") or to, or for the account or benefit of a United States person as defined in the Regulation S of the US Securities Act ("Regulation S"). I/ we understand the Rights Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ we are not in the United States and understand that neither us, nor the Registrar, or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, or any other person acting on behalf of us have reason to believe is a resident of the United States "U.S. Person" (as defined in Regulation S) or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States or a Qualified Institutional Buyer (as defined in the US Securities Act), and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act.

I/ We hereby make representations, warranties and agreements set forth in “Restrictions of Foreign Ownership of Indian Securities” on page 107 of this Draft Letter of Offer.

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.cameoinida.com.

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

f) **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 ICDR Master Circular, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Such Eligible Equity Shareholders holding shares in physical form, as applicable, can update the details of their respective demat accounts on the website of the Registrar at www.cameoindia.com. 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 their relevant details (such as copies of self-attested PAN and details of address proof by way of uploading on Registrar website the records confirming the legal and beneficial ownership of their respective Equity Shares) along with 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, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with the SEBI ICDR Master Circular, the Resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Resident Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer

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

Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in the Issue:

- (i) The Eligible Equity Shareholders, shall visit <https://rights.kfintech.com/>, to upload their client master sheet and also provide the other details as required, no later than two Clear Working Days prior to the Issue Closing Date;
- (ii) 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 1 (One day before the Issue Closing Date);
- (iii) 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*" on page 99.

PLEASE NOTE THAT THE ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM, AS APPLICABLE, AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM, AS APPLICABLE.

g) **Application for Additional Equity Shares:**

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" beginning on page 101 of this Draft Letter of Offer.

Eligible Equity Shareholders, who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders, cannot apply for Additional Rights Equity Shares unless regulatory approvals are submitted.

h) **Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s).**

Our Promoter, *vide* its letter dated March 26, 2026, has confirmed that it may:

- a) subscribe jointly and/ or severally along with any other Promoters or member of the Promoter Group, to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in its favour;
- b) subscribe to, jointly and/ or severally along with any other Promoters or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue;
- c) subscribe partly to the Rights Entitlement and renounce partly the Rights Entitlement to the certain identified specific investors, including subscribing to unsubscribed portion (if any) in the Issue by the certain identified

subject to the post issue aggregate shareholding of our Promoter and members of our Promoter Group not resulting in the minimum public shareholding of the issuer falling below the level prescribed under

the Securities Contracts (Regulation) Rules, 1957 and the SEBI LODR Regulations, as amended from time to time.

Any acquisition of Rights Equity Shares by the Promoter, over and above its Rights Entitlements, shall not result in a change in control of the management of our Company and shall be in compliance with the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under Applicable Law.

In the event the Promoters decides to renounce its Right Entitlement in the favour of third party, minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply. Pursuant to Regulation 86 of the SEBI ICDR Regulations, it is mandatory for the Issuer to achieve a minimum subscription in a Rights Issue. Specifically, the company must receive subscription for at least ninety percent (90%) of the total issue size as stated in the offer document. The minimum subscription threshold includes all valid applications received and accepted from Eligible Shareholders and other investors in the Rights Issue. The Company is, therefore, committed to ensuring compliance with this regulatory requirement and will take all necessary steps to achieve the prescribed minimum subscription level.

For further details, please see the section titled “*Capital Structure*” beginning on page 51 of this Draft Letter of Offer.

i) **Additional general instructions for Investors in relation to making an Application:**

- (i) Please read the Letter of Offer and Application Form carefully to understand the Application process and applicable settlement process.
- (ii) In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form.
- (iii) 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 this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (iv) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.
- (v) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Terms of the Issue – Making of an Application by Eligible Equity Shareholders, on Plain Paper under ASBA process*” on page 95.
- (vi) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI ICDR Master Circular and SEBI Rights Issue Circular, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.
- (vii) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (viii) 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, Applications through

ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE.

- (ix) Applications should not be submitted to the Bankers to the Issue, our Company or the Registrar.
- (x) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (xi) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (xii) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid.
- (xiii) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (xiv) 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.
- (xv) All communication in connection with Application for the Rights Equity Shares, including any change in address, 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 numbers (for Eligible Equity Shareholders who hold Equity Shares in physical form, as applicable, as on Record Date)/DP ID and Client ID and Application Form number, as applicable. In case of any change in address, 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, as applicable.
- (xvi) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.
- (xvii) Please note that subject to SCSBs complying with the requirements of SEBI ICDR Master Circular within the periods stipulated therein, applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (xviii) It is also clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

- (xix) 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.
- (xx) Ensure that the demographic details such as address, PAN, DP ID, Client ID, folio number, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under this Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under this Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. **The Allotment Advice and the e-mail intimating unblocking of ASBA Account or refund (if any) would be e-mailed to the address of the Investor as per the e-mail address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar or shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.**
- (xxi) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (xxii) Investors are required to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (xxiii) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- (xxiv) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- (xxv) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (xxvi) Do not pay the Application Money in cash, by money order, pay order or postal order.
- (xxvii) Do not submit multiple Applications.
- (xxviii) 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.
- (xxix) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021 and September 17, 2021.

j) **Grounds for Technical Rejection**

Applications made in this Issue are liable to be rejected on the following grounds:

- (i) DP ID, folio number and Client ID mentioned in Application does not match with the DP ID, folio number and Client ID records available with the Registrar.
- (ii) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (iii) Sending an Application to our Company, the Registrar, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (iv) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (v) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (vi) Account holder not signing the Application or declaration mentioned therein.
- (vii) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (viii) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (ix) 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).
- (x) 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.
- (xi) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (xii) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and the Letter of Offer.
- (xiii) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (xiv) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (xv) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (xvi) 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.

- (xvii) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (xviii) Application from Investors that are residing in U.S. address as per the depository records (other than in reliance with Reg S).
- (xix) Applicants not having the requisite approvals to make application in the Issue.

k) **Multiple Applications**

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, 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 Investors 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 Rights 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 the SEBI and such Applications shall not be treated as multiple applications. For details, please refer to "*Application by Mutual Funds*" beginning on page 90 of this Draft Letter of Offer.

In cases where multiple Applications are submitted, including cases where an (a) Investor submits Application Forms along with a plain paper Application, or (b) multiple plain paper Applications, or (c) multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected (other than multiple applications that may be submitted by any of the Promoter or members of the Promoter Group as described in "*Terms of the Issue – Intention and extent of participation by our Promoter and Promoter Group with respect to (i) their rights entitlement; (ii) their intention to subscribe over and above their rights entitlement; and (iii) their intention to renounce their rights entitlement, to specific investor(s)*" on page 84.

l) **Procedure for Applications by certain categories of Investors**

Application by FPIs

In terms of applicable FEMA NDI Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly 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 investor 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 investor group will be re-classified as FDI subject to the conditions or restrictions as specified by SEBI and RBI in this regard. Further, the aggregate limit of all FPIs investments is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. 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, FPIs, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons 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 (iv) 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:

- a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and
- b) 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.

Application 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.

Application by NRIs

Investments by NRIs are governed by FEMA NDI Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

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

However, in compliance with the FEMA NDI Rules, the aggregate ceiling of 10% may be raised to 24%, by a special resolution to that effect passed by members of the Company.

Further, in accordance with Press Note 3 of 2020, the FDI Policy ("**Press Note**") has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government of India. It is not clear from the Press Note whether or not an issuance of the Right Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Application by Mutual Funds

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

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

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

Procedure for applications by Systemically Important NBFCs

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

m) Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "**Basis of Allotment**" beginning on page 101 of this Draft Letter of Offer.

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

n) Last date for Application

The last date for submission of the duly filled in Application Form or a plain paper Application is [●], i.e. Issue Closing Date. Our Board or Rights Issue Committee may extend the said date for such period as it may determine from time to time, subject to the provisions of the Articles of Association, and subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application together with the amount payable is either (i) not blocked with an SCSB; (ii) not received by the Bankers to the Issue on or before the close of banking hours on the Issue Closing Date or such date as may be extended by our Board or any committee thereof; or (iii) not uploaded with Stock Exchange, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "**Terms of the Issue - Basis of Allotment**" beginning on page 101 of this Draft Letter of Offer.

Please note that on the Issue Closing Date for Applications through ASBA process shall be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchange. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors 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.

o) Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, may withdraw their Application post 5.00 p.m. (Indian Standard Time) on the Issue Closing Date.

p) **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 or a committee thereof reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 2 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 Entitlement ("REs")

Eligible Equity Shareholders whose names appear as a beneficial owner in respect of the Equity Shares held in dematerialized form or appear in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], are entitled to subscribe to the number of Rights 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 to the Issue at www.cameoinida.com by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding 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: www.salemerode.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 ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening 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 escrow account to the Stock Exchange 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 in dematerialised form only. Further, if no Application is made by the Eligible Equity Shareholders or the Renouncee of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market or off-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 and apply for Equity Shares offered under Rights Issue, if they want to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If the Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, shall not be eligible to make an Application for Rights Equity Shares against their Rights Entitlements with respect to the equity shares held in physical form. Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI ICDR Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Resident Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings; or (f) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (g) non-institutional equity shareholders in the United States.

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 the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

The 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 NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA NDI 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 Exchange or through an off market transfer. In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 06, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, the Eligible Equity Shareholders, who hold Equity Shares in physical form, as applicable, as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

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 Exchange (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors 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.

In accordance with the SEBI ICDR Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than two working days prior to issue closing date, such that credit of REs in their demat account takes place at least one day before issue closing date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Our Company accepts no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(i) 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 Exchange through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI ICDR Master Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN [●] subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlement. 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 Exchange from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is 1 (one) Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+1 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchange and the SEBI.

(ii) 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 Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their Depository Participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their Depository Participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA NDI Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

V. MODES OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

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 which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

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 Investors

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA NDI Rules and requirements prescribed by RBI and subject to the following:

- a) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
- b) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA NDI Rules and requirements prescribed by the RBI.
- c) Eligible Non-Resident Equity Shareholders applying on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and Eligible Non-Resident Equity Shareholders applying on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full amount payable, at the time of the submission of the Application Form to the SCSB. Applications received from NRIs and non-residents for allotment of the Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form.
- d) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India. Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Equity Shares in the Issue.
- e) In case of an Application Form received from the non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursement, if any shall be credited to such account.

VI. PRINCIPAL TERMS OF THE RIGHTS EQUITY SHARES ISSUED UNDER THIS ISSUE

For principal terms of Issue such as face value, Issue Price, Rights Entitlement, see "*The Issue*" beginning on page 46.

Rights Entitlement Ratio

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

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN. The ISIN representing the Rights Equity Shares will be terminated after the Issue Closing Date.

Rights of instrument holder

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

Fractional Entitlements

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

Eligible Shareholders holding less than [●] Equity Shares as on Record Date shall have 'Zero' entitlement in the issue. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (one) Additional Rights Equity Share, if such Equity Shareholders have applied for the Additional Rights Equity Shares. However, they cannot renounce the same to third parties. Application Forms with zero entitlement will be non-negotiable/non-renounceable.

Ranking

The Rights Equity Shares to be issued and allotted pursuant to the Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, and Memorandum of Association and the Articles of Association provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment Advice. The Rights Equity Shares to be issued and allotted pursuant to the Issue shall rank *pari passu* with the existing Equity Shares of our Company, in all respects including dividends.

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

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchange. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights 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 Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulation. Our Company has received in-principle approval from BSE through a letter dated [●] for listing of the Rights Equity Shares to be Allotted in this Issue. 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.

The existing Equity Shares of our Company are listed and traded under the ISIN: INE894E01028 on BSE (Scrip Code: 540181). The Rights 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 Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available

for trading under the existing ISIN as fully paid-up Equity Shares of our Company and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the 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 Exchange, our Company shall within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, forthwith refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not refunded/unblocked within four days after our Company becomes liable to repay it, then our Company and every Director who is an officer in default shall, on and from such expiry of fourth day, be jointly and severally liable to repay the money, with interest at rates prescribed under applicable law.

Rights of holders of Equity Shares

Subject to applicable laws, the Equity Shareholders who have been Allotted Rights Equity Shares pursuant to the Issue shall have the following rights:

- a) The right to receive dividend, if declared;
- b) The right to vote in person, or by proxy;
- c) The right to receive offers for rights shares and be allotted bonus shares, if announced;
- d) The right to receive surplus on liquidation;
- e) The right of free transferability of Equity Shares;
- f) The right to attend general meetings and exercise voting powers in accordance with law, unless prohibited/restricted by law; and
- g) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, the Memorandum of Association and the Articles of Association.

VII. GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold such Equity Share as the joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. 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 the Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the Application Form in the space provided for this purpose.

Since the Allotment of Rights Equity Shares is in dematerialized form only, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in the Issue. Nominations registered with respective Depository Participant of the Investor would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its respective Depository Participant.

Arrangements for disposal of Odd Lots

Our Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Restrictions on transfer and transmission of shares and on their consolidation/splitting

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

However, the Investors should note that pursuant to provisions of the SEBI Listing Regulations, with effect from April 01, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be effected unless the securities are held in the dematerialized form with a depository.

Notices

Our Company will send, through email and registered/speed post, the Letter of Offer, the Rights Entitlement Letter, Application Form and other Issue Material only to the Eligible Equity Shareholders who have provided an Indian address to our Company. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, this Draft Letter of Offer, the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided their Indian address and who have made a request in this regard.

Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue Materials, including the 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.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and a Tamil language daily newspaper (Tamil being the regional language in the place where our Registered Office is located).

This Draft Letter of Offer, the Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors:

As per Rule 7 of the FEMA NDI Rules, RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 20, 2025, as amended from time to time issued by the 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 Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on rights@cameoindia.com or physically/postal means at the address of the Registrar Cameo Corporate Services Limited. It will be the sole responsibility of the investors 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 the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchange. Our Board may at its absolute discretion agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights 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 Rights 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.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar to the Issue by submitting their respective copies of self-attested proof of address, passport, etc. at rights@cameoindia.com.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, PLEASE REFER TO "*ALLOTMENT ADVICES/ REFUND ORDERS/UNBLOCKING OF ASBA ACCOUNTS*" BEGINNING ON PAGE 102 OF THIS DRAFT LETTER OF OFFER.

Minimum Subscription

In accordance with Regulation 86 of the SEBI ICDR Regulations, the objects of the Issue do not involve financing of capital expenditure. Further, Our Promoters and Promoter Group have undertaken that they shall subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group or Specific investor) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. In terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription of 90% is not applicable to the Issue.

In the event the Promoter renounces its Right Entitlement in the favour of third party (other than other Promoters or member of the Promoter Group or Specific investor, as disclosed in this Letter of Offer) minimum subscription criteria provided under regulation 86(1) of the SEBI ICDR Regulations shall apply and consequently, it would be mandatory for the Issuer to achieve a minimum subscription for at least ninety percent (90%) of the total issue size in a Rights Issue. The Company is, therefore, committed to ensuring compliance with this regulatory requirement and will take all necessary steps to achieve the prescribed minimum subscription level, if applicable.

VIII. ISSUE SCHEDULE

Event	Indicative Date
Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation Rights [#]	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

[#]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.

*Our Board, or a Rights Issue 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 applicable, 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 clear Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. If demat account details are not provided by the Eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholders will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder 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, is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., www.cameoinida.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts. Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., www.cameoinida.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.salemerode.com).

IX. @BASIS OF ALLOTMENT

Subject to the provisions contained in the Letter of Offer, the Application Form, the Rights Entitlement Letter, the Articles of Association of our Company and the approval of the Designated Stock Exchange, our Board will proceed to allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/have applied for Rights Equity Shares renounced in its/their favor, in full or in part, as adjusted for fractional entitlement, including to the specific investor(s) making an application under Regulation 84(1)(f)(i) of the SEBI ICDR Regulations.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renounees who having applied for all the Rights Equity Shares renounced in their favour and also have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares shall be made on a proportionate basis in consultation with the Designated Stock Exchange, as part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, the decision of our Board in this regard shall be final and binding.
- f) After taking into account Allotment to be made under (a) to (e) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

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

- 1) The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Application;
- 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.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

X. ALLOTMENT ADVICES / REFUND ORDERS / UNBLOCKING OF ASBA ACCOUNTS

Our Company will issue and send/dispatch Allotment Advice, refund intimations/instructions, if applicable or demat credit of securities and/or letters of regret, by e-mail or registered post or speed post, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form, as applicable, on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the finalization of basis of allotment. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

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 a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors 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 Rights Equity Shares in the Issue and is allotted a lesser number of Rights 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 within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds/unblocking of fund beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account. Such refund orders would be payable at par at all places where the Applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favor of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

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 FCNR/NRE Account of the non-resident Applicants, details of which were provided in the Application Form.

XII. ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (pending with IEPF authority/ in suspense, etc.) will be credited within 2 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Right Equity Shares in Dematerialised Form

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

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form only. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors 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:

- a) Tripartite Agreement between our Company, National Securities Depository Limited and the Registrar to the Company dated April 10, 2024.
- b) Tripartite Agreement between our Company, Central Depository Service India Limited and the Registrar to the Company dated December 21, 2001.

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

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

- a) Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for each such holding. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
- b) It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
- c) The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's Depository Participant.
- d) If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
- e) The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense.
- f) Shares are with IEPF authority/ in suspense, etc.). The allotment advice or refund order (if any) or unblocking advice would be sent by e-mail or registered post or speed post to the sole/ first Investor's address provided by the Eligible Equity Shareholders to our Company but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
- g) Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
- h) Non-transferable Allotment Advice/ refund orders will be sent directly to the Investors by the Registrar to the Issue.
- i) Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Resident Eligible Equity Shareholders, who hold Equity Shares in physical form and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, shall not be able to apply in this Issue for further details, please refer to "*Application by Eligible Equity Shareholders holding Equity Shares in physical form*" beginning on page 83 of this Draft Letter of Offer.

XIII. IMPERSONATION

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

"Any person who:

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

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

XIV. UTILIZATION OF ISSUE PROCEEDS

Our Board of Directors declares that:

- a) All monies received out of the Issue shall be transferred to a separate bank account;
- b) Details of all monies utilized out of the Issue referred to in clause (i) above shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;
- c) Details of all unutilized monies out of the Issue referred to in clause (i) 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; and

XV. UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- b) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchange where the Rights Equity Shares are to be listed will be taken within the time prescribed by SEBI.
- c) The funds required for unblocking to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- e) No further issue of securities shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription, etc. other than as disclosed in accordance with Regulation 97 of SEBI ICDR Regulations.
- f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

- g) Adequate arrangements shall be made to collect all ASBA Applications.
- h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- i) As on date our Company does not have any convertible debt instruments.
- j) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- k) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes enquiries to ascertain such facts.

XVI. INVESTOR GRIEVANCES, COMMUNICATION AND IMPORTANT LINKS

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the Application Form and the Rights Entitlement Letter are an integral part of the conditions of the Letter of Offer and must be carefully followed otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "**Risk Factors**" beginning on page 22 of this Draft Letter of Offer.

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

Cameo Corporate Services Limited

C Subramanian Building, No. 1, Club House Road,
Mount Road, Chennai 600 002, Tamil Nadu, India.

Tel. No.: +91 44 4002 0700 / 2846 0390

Email: rights@cameoindia.com

Website: www.cameoindia.com

Contact Person: K. Sree Priya

In accordance with SEBI ICDR Master Circular, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar of the Issue i.e. www.cameoindia.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties is +91 44 4002 0700 / 2846 0390.

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

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: [●].
- Updation of Indian address/ email address/ mobile number in the records maintained by the Registrar to the Issue i.e. Cameo Corporate Services Limited: [●].
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form, as applicable:[●]; and
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: rights@cameoindia.com.

The Issue will remain open for minimum period of 7 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 OF FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“**FDI**”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“**DPIIT**”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“**FDI Circular**”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which, with effect from October 15, 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular will be valid until the DPIIT issues an updated circular.

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, the relevant notification under Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 will prevail. The payment of inward remittance and reporting requirements are stipulated under the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 issued by RBI. The FDI Circular 2020, issued by the DPIIT, consolidates the policy framework in place as on October 15, 2020, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020.

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

The Rights 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 Rights Equity Shares are issued on a rights basis. The above information is given for the benefit of the 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 Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue. OCBs or Overseas Corporate Bodies have been de-recognised 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.

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

However, in compliance with the FEMA NDI Rules, the aggregate ceiling of 10% has been raised to 24%, by a special resolution to that effect passed by members of the Company, at their meeting held on July 05, 2024.

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 Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, will be available for inspection on the website of the Company from the date of the Draft Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection:

1. The Registrar Agreement dated March 24, 2026, entered into amongst our Company and the Registrar to the Issue.
2. Banker to the Issue Agreement dated [●] entered into amongst our Company, Registrar to the Issue and Banker to the Issue.
3. Monitoring Agency Agreement dated [●] entered into amongst our Company and the Monitoring Agency.

B. Material documents for inspection:

Our Company was incorporated as ‘*The Salem Erode Electricity Distribution Company Limited*’, a public limited company under the Indian Companies Act, 1913, vide certificate of incorporation dated May 16, 1931, issued by the Registrar of Companies, West Bengal. Our Company was granted the certificate of commencement of business dated June 22, 1931. Subsequently, the name of our company was changed to ‘*Salem Erode Tea & Investment Company Limited*’, and a fresh certificate of incorporation reflecting the change was issued on November 28, 1975, by Registrar of Companies, West Bengal. Subsequently, the name of our company was further changed to ‘*Salem Erode Investments Limited*’ and a fresh certificate of incorporation dated July 24, 1992 was issued by Registrar of Companies, West Bengal. For further details please refer to the section titled “**General Information**” beginning on page 47 of this Draft Letter of offer.

1. Certified copies of the Memorandum of Association and Articles of Association of our Company as amended from time to time.
2. Certificate of incorporation dated May 16, 1931, and certificate of commencement of business dated June 22, 1931.
3. Certificate of Incorporation dated November 28, 1975, pursuant to the change in the name of the Company from “Salem Erode Electricity Distribution Company Limited” to “Salem Erode Tea & Investment Company Limited”.
4. Certificate of Incorporation dated July 24, 1992, pursuant to the change in the name of the Company from “Salem Erode Tea & Investment Company Limited” to “Salem Erode Investment Limited”.
5. Resolution of the Board of Directors dated March 24, 2026, in relation to the Issue authorization.
6. Annual Reports of the Company for the last five years.
7. Resolution of the Board of Directors dated March 26, 2026 approving and adopting the Draft Letter of Offer.
8. Resolution of the Board of Directors dated [●] finalizing the terms of the Issue including Issue Price and the Rights Entitlement Ratio.
9. Resolution of the Board of Directors dated [●] approving and adopting the Letter of Offer.
10. Statement of Special Tax Benefits dated March 26, 2026 available to our Company and its shareholders under the applicable laws in India issued by our Statutory Auditor.
11. Tripartite Agreement dated April 10, 2014 between our Company, NSDL and the Registrar to the Company.
12. Tripartite Agreement dated December 21, 2001 between our Company, CDSL and the Registrar to the Company.
13. In principle listing approval dated [●] issued by BSE.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified

at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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DECLARATION

I hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act and the rules made there under. I further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with.

I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- _____ Kuzhuppilly Govinda Menon Anilkumar Managing Director DIN: 00766739	Sd/- _____ Umadevi Anilkumar Non-Executive – Non-Independent Director DIN: 06434467
Sd/- _____ T G Babu Independent Director DIN: 08315374	Sd/- _____ Saseendran Veliyath Independent Director DIN: 08205871
Sd/- _____ Ambadath Aiyappan Balan Independent Director DIN: 01996253	Sd/- _____ Shinto Stanly Chairman and Independent Director DIN: 06534505

SIGNED BY OUR CHIEF FINANCIAL OFFICER

Sd/-

Madhavankutty Thekkedath

Date: March 26, 2026

Place: Irinjalakuda