

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated October 10, 2024 (“Letter of Offer”) which is available on the websites of the Registrar to the Issue (“Registrar”), our Company and the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”). You are encouraged to read greater details available in the Letter of Offer. Capitalized terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

**THIS ABRIDGED LETTER OF OFFER CONTAINS 11 PAGES. PLEASE ENSURE THAT YOU HAVE
RECEIVED ALL THE PAGES**

Our Company has made available on the Registrar’s website i.e., www.skylinerta.com and the Company’s website, the Letter of Offer, Abridged Letter of Offer along with the Rights Entitlement and Application Form to the Eligible Equity Shareholders who have provided an Indian address to the Company. You may also download the Letter of Offer from the websites of the Company, the Securities and Exchange Board of India (“SEBI”), the stock exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”), and the Registrar, i.e., at <http://www.arcfinance.in/>, www.sebi.gov.in, www.bseindia.com, www.skylinerta.com, respectively. The Application Form is available on the respective websites of the Stock Exchange and the Registrar.



ARC FINANCE LIMITED

Registered Office: 18, Rabindra Sarani, Poddar Court Gate No.4, 4th Floor, Room No. 3, Kolkata, West Bengal-700001, India

Contact person: Somnath Chitrakar, Director and Chief Financial Officer

Telephone: +91 8910637014 | **E-mail id:** arcrightissue24.25@gmail.com; **Website:** www.arcfinance.in ;

Corporate Identity Number: L51909WB1982PLC035283

**THE PROMOTER OF OUR COMPANY IS S K GROWTH FUND PRIVATE LIMITED
ISSUE DETAILS, LISTING AND PROCEDURE**

RIGHTS ISSUE OF UPTO RS. 4847.52 LAKHS I.E. UPTO 40,39,60,000 EQUITY SHARES OF FACE VALUE OF ₹1.00/- (RUPEES ONE ONLY) EACH OF OUR COMPANY (THE ‘RIGHTS EQUITY SHARES’) FOR CASH AT A PRICE OF ₹ **₹1.20/- (RUPEES ONE AND TWENTY PAISA ONLY)** PER RIGHTS EQUITY SHARE (INCLUDING A PREMIUM OF ₹0.20 (TWENTY PAISA ONLY) PER RIGHTS EQUITY SHARE) AGGREGATING TO ₹ 4847.52 LAKHS* ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 4 (FOUR) RIGHT EQUITY SHARE FOR EVERY 5 (FIVE) EQUITY SHARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON 10TH OCTOBER, 2024 (THE ‘ISSUE’). FOR FURTHER DETAILS, SEE ‘TERMS OF THE ISSUE’ BEGINNING ON PAGE 143. THE RIGHTS ISSUE PRICE IS 1.20 TIMES THE FACE VALUE OF THE EQUITY SHARES.

*assuming full subscription.

Listing details: The existing Equity Shares of our Company are listed on BSE Limited (“BSE”). Our Company has received “in-principle” approval from BSE for listing the Equity Shares to be allotted pursuant to the Issue through their letter dated September 27, 2024. Our Company will also make applications to the Stock Exchange to obtain their trading approval for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purposes of the Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to rights issue, you may refer to the section titled “Terms of the Issue” on page 143 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of the Company, SEBI, BSE and Registrar.

Our Company is eligible to offer the Right Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

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

INDICATIVE TIMETABLE*

Issue Opening Date	21 st October, 2024	Date of Allotment (on or about)	21 st November, 2024
Last Date for On Market Renunciation #	12 th November, 2024	Date of credit (on or about)	03 rd December, 2024
Issue Closing Date*	18 th November, 2024	Date of listing/Commencement of trading	03 rd December,

		of Equity Shares on the Stock Exchange (on or about)	2024
Finalisation of Basis of Allotment (on or about)	21 st November, 2024		

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

* Our Rights issue committee 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.

NOTICE TO INVESTORS

The distribution of Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other offering material and the issue of Rights Entitlement and the Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlement Letter may come are required to inform themselves about and observe such restrictions. For details, see “**Selling Restrictions**” beginning on page 140 of the Letter of Offer.

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

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”) AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS (“**REGULATIONS**”) UNDER THE U.S. SECURITIES ACT, EXCEPT FOR THESE PURPOSES, U.S. PERSONS INCLUDE PERSONS WHO WOULD OTHERWISE HAVE BEEN EXCLUDED FROM SUCH TERM SOLELY BY VIRTUE OF RULE 902(K)(1)(VIII)(B) OR RULE 902(K) (2)(I) (“**U.S. PERSONS**”)) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE RIGHTS ENTITLEMENTS (INCLUDING THEIR CREDIT) AND THE EQUITY SHARES ARE ONLY BEING OFFERED AND SOLD (I) WITHIN THE UNITED STATES OR TO U.S. PERSONS THAT ARE “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT (“**RULE 144A**”) AND REFERRED TO IN THIS LETTER OF OFFER AS “**U.S. QIBs**”) PURSUANT TO THE PRIVATE PLACEMENT EXEMPTION SET OUT IN SECTION 4(A)(2) OF THE U.S. SECURITIES ACT, THAT ARE ALSO “QUALIFIED PURCHASERS” (“**QPs**”) (AS DEFINED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED, THE “**U.S. INVESTMENT COMPANY ACT**”) IN RELIANCE UPON SECTION 3(C)(7) OF THE U.S. INVESTMENT COMPANY ACT AND (II) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATIONS UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR. OUR COMPANY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT AND INVESTORS WILL NOT BE ENTITLED TO THE BENEFITS OF THE U.S. INVESTMENT COMPANY ACT. THE RIGHTS ENTITLEMENTS AND THE EQUITY SHARES MAY NOT BE RE-OFFERED, RE-SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATIONS TO A PERSON OUTSIDE THE UNITED STATES AND NOT REASONABLY KNOWN BY THE TRANSFEROR TO BE A U.S. PERSON BY PRE-ARRANGEMENT OR OTHERWISE (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONAFIDE SALE ON THE STOCK EXCHANGES).

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For making an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have neither been recommended nor approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Letter of Offer. Specific attention of the investors is invited to the section “Risk Factors” on page 23 of the Letter of Offer and “Internal Risk factors” on page 6 of this Abridged Letter of Offer before making an investment in the Issue.

Name of Registrar to the Issue and contact details

Skyline Financial Services Pvt. Ltd
D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi 110020.**Contact Number: 011-40450193-197**
Investor grievance e-mail: grievances@skylinerta.com
Website: www.skylinerta.com
Contact Person: Anuj Rana;
SEBI Registration Number: INR000003241
Skyline Financial Services Pvt. Ltd

Name of Statutory Auditors	M/s. S S R V & Associates, Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.
Banker(s) to the Issue	Axis Bank Limited Prasad Chambers, 10A Shakespeare Sarani, Kolkata-700071

1. Summary of business

Our company is a NBFC registered with the RBI to carry out NBFC activities under Section 45IA of the Reserve Bank of India Act, 1934 bearing Registration No. 05.01915 dated 30-04-1998. We operate as a Non-Deposit taking Non Banking Finance Company engaged primarily in the business of advancing loans and investing/trading in securities.

For further details, see “Our Business” on page 64 of the Letter of Offer.

2. Summary of Objects of the Issue and Means of Finance

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

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#*	₹ 4847.52
Less: Estimated Issue related Expenses*	₹ 27.00
Net Proceeds from the Issue	₹ 4820.52

*Subject to the finalization of the basis of Allotment and the allotment of the Rights Equity Shares. The amount utilized towards general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds.

#Rounded off to two decimal places.

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table:

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Repayment of Unsecured Loans availed by our company	₹ 1649.45
2	Augmentation of Capital Base	₹ 2093.55
3	General Corporate Purposes#@	1077.52
Total Net Proceeds@		₹ 4820.52

In an event of any under-utilization of funds from the aforesaid stated objects of the Issue, the Company shall have the liberty to utilize the said balance fund for General Corporate Purpose, which shall not, in any event, exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds (inclusive of the fund requirement for General Corporate Purpose);

@Assuming full subscription in this Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

The issue size will not exceed ₹ 4847.52 lakhs if there is any deduction on account of or at the time of finalisation of issue price and Rights Entitlements Ratio the same will be adjusted against the amount for General Corporate Purpose..

Means of Finance

The fund requirements of the Objects detailed above are intended to be funded from the proceeds of the Rights Issue. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

3. **Name of Monitoring Agency:** Since the Issue size does not exceed ` 100 Crores, the appointment of a monitoring agency as per Regulation 82(1) of the SEBI Regulations is not required.

4. Equity Shareholding pattern:

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

a) The Shareholding Pattern of our Company as on September 30, 2024 can be accessed on the website of the BSE at <https://www.bseindia.com/stock-share-price/arc-finance-ltd/arcfin/540135/shareholding-pattern/> and at

- b) The statement showing the holding of Equity Shares of persons belonging to the category “Promoter and Promoters Group” as on September 30, 2024, can be accessed on the website of the BSE at <https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=540135&qtrid=122.00&QtrName=June%202024> and CSE [https://listingcompliance.cse-india.com/xbrl/SHQuarterlyReport#:~:text=Promoter%20Group\(A\)-2.60718750](https://listingcompliance.cse-india.com/xbrl/SHQuarterlyReport#:~:text=Promoter%20Group(A)-2.60718750).
- c) The Shares held by promoters and promoter group are neither pledged nor encumbered. (There are no promoters in Company)

5. Board of Directors

BOARD OF DIRECTORS

Sr. No.	Name & Designation	Other Directorships
1.	Name: Virendra Kumar Soni Designation: Executive Director-Chairperson-Managing Director DIN: 08554333	Nil
2.	Name: Surojit Sarkar Designation: Executive Director DIN: 09672539	List of Companies: 1. Indivar Realtors Private Limited
3.	Name: Somnath Chitrakar Designation: Executive Director DIN: 09678491	Nil
4.	Name: Gopal Singh Designation: Non-Executive & Independent Director DIN: 06739896	Nil
5.	Name: Asis Banerjee Designation: Non-Executive & Independent Director DIN: 05273668	List of Companies: 1. Aengus Power And Infra Limited 2. Anax Com Trade Limited 3. Dev Stuti Infra Developers Limited
6.	Name: Aparna Sharma Designation: Non-Executive & Independent Director DIN: 07006877	List of Companies: 1. Hamilton Poles Manufacturing Co Ltd

6. Neither our Company nor any of our Promoters or our Directors have been or are identified as Wilful Defaulter or a fraudulent borrower.

7. Financial Statement Summary:

(` in lakhs)

Particulars	Unaudited Financial Results	Audited Financial Statements for the period ending	
	3 Months ended 30 th June, 2024 ⁽³⁾	F.Y. 2023-24 ⁽²⁾	F.Y. 2022-23 ⁽¹⁾
Equity Share Capital	5049.5	5049.5	5049.5
Net-Worth	5423.25	5117.49	5161.92
Total Income	60.05	924.21	691.60
Profit/ (loss) after tax (excluding comprehensive income/ (loss))	305.77	27.13	32.73
Basic EPS	0.06	0.01	0.01
Diluted EPS	0.06	0.01	0.01
Net asset value per Equity Share	1.07	1.01	1.02
Total borrowings	1720.96	1608.06	1475.89

(Including current and non-current borrowings)			
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- (1) Based on the audited financial statements of our Company for the year ended March 31, 2023
- (2) Based on the audited financial statements of our Company for the year ended March 31, 2024
- (3) Based on the limited review financial results of our Company as at and for the Three months period ended on June 30, 2024.

8. INTERNAL RISK FACTORS

The below mentioned risks are the top ten risk factors as per the Letter of Offer:

1. There are outstanding legal proceedings involving our Company, its Promoters, its Directors, and Group Company
2. We, as an NBFC, have to adhere to several regulatory norms prescribed by RBI from time to time. Any non-compliance with such norms or any adverse change in the norms could negatively affect our Company's operations, business, financial condition and the trading price of Equity Shares.
3. Failure on our part to adhere to RBI or other Regulatory norms may lead to penalties affecting our business and financial condition and / or cancellation of NBFC license.
4. As an NBFC, we face the risk of default and non-payment by borrowers and other counterparties. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.
5. Our Company may incur penalties or liabilities for non-compliances with few provisions of the Companies Act and other applicable laws.
6. Our investments activity and inventory are subject to market risk and judgement of our Management
7. We are a listed company and are required to comply with rules and regulations imposed by the Stock Exchanges and SEBI with respect to continuous listing and the Companies Act. Any failure to comply with such rules and regulations or any wrong 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.
8. Our insurance coverage does not adequately protect us against losses (including damages or loss caused to the Products), and successful claims against us that exceed our insurance coverage could harm our results of operations and diminish our financial position.
9. Some of our corporate records including forms filed with the Registrar of Companies are not traceable.
For further details, see the section "**Risk Factors**" on page 23 of the Letter of Offer.

9. SUMMARY OF OUTSTANDING LITIGATIONS

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

Litigation involving our Company

(` In Lakhs)

Sr. No.	Type of Proceeding	No. of cases	Amount involved, to the extent quantifiable
A	Proceedings involving moral turpitude or criminal liability on our Company	0	0
B	Proceedings involving material violations of statutory regulations by our Company	0	0
C	Matters involving economic offences where proceedings have been initiated against our Company	0	0
D	Pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company.	0	0
E	Tax Related Litigation	6	17.73*#
	Total	6	17.73

* Excluding interest on disputed demand and amount involved in litigations for which the tax amount is not ascertainable.
The Company has submitted the response on the demand notice issued by the authority to waive the demand and the reply is awaited from authority.
For further Details, please refer to the chapter titled “**Outstanding Litigation and Defaults**” at page 134 of the Letter of Offer.

10. TERMS OF THE ISSUE

Procedure for Application

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, 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.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see “Terms of the Issue Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders” beginning on page 143 of the Letter of Offer.

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 or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form) shall be treated as incomplete and shall be rejected. For details see “Terms of the Issue - Grounds for Technical Rejection” beginning on page 164 of the Letter of Offer. 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 “Terms of the Issue - Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process” beginning on page 158 of the Letter of Offer.

Making of an Application through the ASBA process

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

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

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-

receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar or Stock Exchange. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorizing such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his / her bank, must reach the office of the Designated Branch of the SCSB's before the Issue Closing Date and should contain the following particulars:

- 1) Name of our Company, being ARC FINANCE LIMITED.
- 2) 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);
- 3) Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date)/ DP and Client ID;
- 4) Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue.
- 5) Number of Equity Shares held as on Record Date;
- 6) Allotment option – only dematerialised form;
- 7) Number of Equity Shares entitled to;
- 8) Number of Equity Shares applied for within the Rights Entitlements;
- 9) Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
- 10) Total number of Equity Shares applied for;
- 11) Total amount paid at the rate of ` 1.20/- per Equity Share;
- 12) Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
- 13) 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;
- 14) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- 15) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- 16) All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the “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 (the “United States”), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulations under the US Securities Act (“Regulations”) to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights 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 Rights

Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies,

(a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/ our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements 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.

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where 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.skylinerta.com

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

For details of procedure for application by the Eligible Equity Shareholders holding Equity Shares as on the Record Date, see **"Terms of the Issue - Process of Making an Application in the Issue"** on page 145 of the Letter of Offer.

Rights Entitlements Ratio

The Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of **4:5** (4 Equity Shares for every 5 Equity Shares held as on the Record Date).

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 4 (Four) Rights Equity Shares for every 5 (Five) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders having 5 (Five) Equity Shares will be entitled 4 (Four) Equity Shares Equity Shares in this Issue post allocation towards Rights Entitlements applied for. "Terms of the Issue" beginning on page 143 of the Letter of Offer.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part. The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

For details, see **"Terms of the Issue - Procedure for Renunciation of Rights Entitlements"** on page 157 of the Letter of Offer.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they

are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized 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 **“Terms of the Issue - Basis of Allotment”** beginning on page 169 of the Letter of Offer.

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

Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Intention of promoter to subscribe to its Rights Entitlement

The Promoter of our Company have, vide their letters dated 02nd September, 2024 ("Subscription Letters") indicated that they will not subscribe fully to their portion of right entitlement. Further, the promoter has confirmed that do not intend to apply for, and subscribe to, additional Rights Equity Shares over and above their Rights Entitlements (including unsubscribed portion of the Issue, if any).

Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Availability of offer document of the immediately preceding rights issue for inspection

We have not made any public or rights issue immediately preceding the issue.

ANY OTHER IMPORTANT INFORMATION AS PER COMPANY

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

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

DECLARATION BY OUR COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the rules/guidelines/regulations issued by the Securities and Exchange Board of India, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Letter of Offer is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act, each as amended, or rules made or guidelines or regulations issued there under, as the case may be.

We further certify that all the disclosures and statements made in this Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

<p>Sd/-</p> <p>_____ Virendra Kumar Soni Managing Director Place: West Bengal</p>	<p>Sd/-</p> <p>_____ Somnath Chitrakar Director and CFO Place: West Bengal</p>
<p>Sd/-</p> <p>_____ Asis Banerjee Non-Executive & Independent Director Place: West Bengal</p>	<p>Sd/-</p> <p>_____ Aparna Sharma Non-Executive & Independent Director Place: West Bengal</p>
<p>Sd/-</p> <p>_____ Gopal Singh Non-Executive & Independent Director Place: West Bengal</p>	<p>Sd/-</p> <p>_____ Surojit Sarkar Executive Director Place: West Bengal</p>

Date: 10th October, 2024

Place: West Bengal