



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,

Contact No: +91 8910637014; Email: arcrightissue24.25@gmail.com; Website: www.arcfinance.in;

Corporate Identity Number: L01100GJ1985PLC144317

RIGHTS ENTITLEMENT LETTER

Dear Shareholder,

RIGHTS ISSUE OF 40,39,60,000 (FORTY CRORE THIRTY NINE LAKHS SIXTY THOUSANDS) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF Rs.1.00/- (RUPEE ONE ONLY) ('EQUITY SHARES') EACH AT A PRICE OF Rs. 1.20/- (RUPEES ONE AND TWENTY PAISA ONLY) PER RIGHTS SHARE (TO BE ISSUED AT PREMIUM OF Rs. 0.20/- (TWENTY PAISA ONLY) WITH THE FACE VALUE OF THE EQUITY SHARE) ('ISSUE PRICE') ('RIGHT SHARES') FOR AN AMOUNT UP Rs. 48,47,52,000 /- (RUPEES FORTY EIGHT CRORE FORTY SEVEN LAKHS FIFTY TWO THOUSANDS ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF ARC FINANCE LIMITED ('COMPANY' OR 'ISSUER') IN THE RATIO OF 4 (FOUR) RIGHT SHARES FOR EVERY 5 (FIVE) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, THURSDAY, OCTOBER 10, 2024 ('ISSUE'). THE ISSUE PRICE IS AT PREMIUM WITH THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 143 OF THIS LETTER OF OFFER.

@ Assuming full subscription and receipt of Call Monies with respect to the Right Equity Shares.

You have been sent this e-mail (including its enclosures) in electronic form to comply with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended, and relevant circulars issued by the Securities and Exchange Board of India from time to time. This e-mail does not constitute an offer of, or a solicitation of an offer to purchase, any securities of the Company in any jurisdiction where offers or solicitations are not permitted by law. The information in this e-mail is solely intended for distribution to, and use by, shareholders as of the Record Date i.e., **Thursday, October 10, 2024**, who are (i) a resident of India and (ii) outside of India and the United States and eligible to exercise rights entitlements and acquire Rights Shares in accordance with the legal requirements applicable in such shareholders' jurisdiction and in compliance with all applicable laws and regulations. By accessing this e-mail and its enclosures, you are hereby deemed to represent that you qualify under one of the foregoing criteria. This e-mail and its enclosures should not be reproduced, transmitted or distributed to any other person.

Terms of Payment

Amount Payable per Right Equity Share	Face Value	Premium	Total
On Application	Rs. 1.00	Rs. 0.20	Rs. 1.20
On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time*	--	--	--
Total	Rs. 1.00	Rs. 0.20	Rs. 1.20

IF YOU ARE NOT PERMITTED TO ACCESS THESE ISSUE MATERIALS OR ARE IN ANY DOUBT AS TO WHETHER YOU ARE PERMITTED TO ACCESS THESE ISSUE MATERIALS, PLEASE TREAT THIS LETTER 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.

With reference to above, please find below for your information the details of Equity Shares held by you as on the Record Date i.e., **Monday, May 13, 2024** along with your Rights Entitlements:

Folio Number/ DP or Client ID	No. of Equity Shares held by you on Record Date - being Thursday, October 10, 2024	No. of Rights Entitlements

Abridged Letter of Offer & Common Application Form are enclosed.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.skylinert.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.arcfinance.in).

THIS IS TO INFORM YOU THAT THE CAPTIONED ISSUE OPENS FOR SUBSCRIPTION ON MONDAY, OCTOBER 21, 2024, AND ISSUE CLOSES[#] FOR SUBSCRIPTION ON MONDAY, NOVEMBER 18, 2024.

[#]Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time, 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.

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.

For example, if an Eligible Equity Shareholder holds 5 (Five) Equity Share(s) or not in the multiple of 5, Equity Shares, such Shareholder will be entitled to one Rights Equity Shares on a rights basis and will also be given a preferential consideration for the Allotment of one Additional Rights Equity Share if the Shareholder has applied for additional Rights Equity Shares. Also, those Equity Shareholders holding less than 5 (Five) Equity Shares and therefore entitled to 'Zero' Rights Equity Share under this Issue shall be dispatched an Application Form with 'Zero' entitlement. Such Eligible Equity Shareholders are entitled to apply for Additional Rights Equity Shares and would be given preference in the Allotment of 1 (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.

Facilities for Application in this Issue: In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and subject to the conditions prescribed under the SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 (together "ASBA Circulars"), all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see "Procedure for Application through the ASBA Facility" on page 156 of the Letter of Offer.

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders: Pursuant to provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars and in terms of the Letter of Offer, the Rights Entitlements of the Eligible Equity Shareholders have been credited in their respective demat account and shall be admitted for trading on the Stock Exchange under the ISIN - INE202R20018 subject to requisite approvals. For details of credit of the Rights Entitlements, see "Terms of the Issue - Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders" on page 148 of the Letter of Offer.

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., **Monday, November 18, 2024** to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, 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.skylinert.com). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 143 OF THE LETTER OF OFFER.

Trading of the Rights Entitlements: In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under Rights Entitlement ISIN - INE202R20018. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off

Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism. For more details, see “*Renunciation of Rights Entitlements*” on page 148 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 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 - Renunciation of Rights Entitlements*” on page 148 of the Letter of Offer.

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.

Issue Schedule

You are requested to take note of the following schedule of the Issue:

Issue Opening Date	Monday, October 21, 2024
Last date for On Market Renunciation*	Tuesday, November 12, 2024
Issue Closing Date	Monday, November 18, 2024
Finalization of Basis of Allotment (on or about)	Thursday, November 21, 2024
Date of Allotment (on or about)	Thursday November 21, 2024
Date of Credit (on or about)	Tuesday, December 03, 2024
Date of Listing/Trading Approval (on or about)	Tuesday, December 03, 2024

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

ATTENTION FOR PHYSICAL SHAREHOLDERS

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, i.e. Thursday, October 10, 2024 and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date.

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

Pursuant to the SEBI Rights Issue Circulars, resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

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

- our Company at www.arcfinance.in
- the Registrar at https://www.skylinerta.com/downloads_page.php
- the Stock Exchanges at <https://www.bseindia.com/stock-share-price/arc-finance-ltd/arcfin/540135/corp-announcements/>



NOTICE TO INVESTORS

In accordance with the SEBI (ICDR) Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Letter of Offer, the Rights Entitlement Letter, Common Application Form and other issue materials (“Issue Materials”) only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. 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 dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the 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 the 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. For details, see “*Restrictions on Foreign Ownership of Indian Securities*” beginning on page 187 of Letter of Offer.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT, 1933, AS AMENDED (“**SECURITIES ACT**”), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OF AMERICA OR THE TERRITORIES OR POSSESSIONS THEREOF (“**UNITED STATES**” OR “**U.S.**”) OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, “**U.S. PERSONS**” (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“**REGULATION S**”), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS LETTER OF OFFER ARE BEING OFFERED IN INDIA AND IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS, BUT NOT IN THE UNITED STATES. THE OFFERING TO WHICH THIS LETTER OF OFFER AND ABRIDGED LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY SECURITIES OR RIGHTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY ANY OF THE SAID SECURITIES OR RIGHTS.

In case of any queries, you may contact the Company or Registrar as per the details mentioned herein:

COMPANY	REGISTRAR
	
ARC FINANCE LIMITED 18, Rabindra Sarani, Poddar Court Gate No.4, 4th Floor, Room No. 3, Kolkata, West Bengal-700001, India Telephone: +91 8910637014; E-mail: arcrightissue24.25@gmail.com Website: www.arcfinance.in Contact Person: Somnath Chitrakar	SKYLINE FINANCIAL SERVICES PRIVATE LIMITED D 153 A, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi - 110020, India Tel: +91 011-40450193-97 Website: www.skylinerta.com Email: ipo@skylinerta.com Contact Person: Mr. Anuj Rana SEBI Registration Number: INR000003241

Note: All capitalized terms, unless defined herein, shall have the meaning ascribed to them in the Letter of Offer.

For, Arc Finance Limited

Sd/-
Virendra Kumar Soni
 Managing Director
 DIN: 08554333