

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 Monday, November 21, 2022 (“**Letter of Offer**”), which is available on the websites of our Company, Lead Manager, Registrar, and the Stock Exchange where the Equity Shares of our Company are listed, i.e., BSE Limited (“**BSE**” or the “**Stock Exchange**”). 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 12 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the Registrar’s website www.beetalfinancial.com and the Company’s website at www.smccredits.com, this Abridged Letter of Offer and Application Form for 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 Lead Manager, the Company, the Stock Exchange and the Registrar, i.e., www.sundaecapital.com, www.smccredits.com, www.bseindia.com, and www.beetalfinancial.com, respectively. The Application Form is available on the website of our Lead Manager, Company and the Stock Exchange.

SMC CREDITS LIMITED

Registered Office: 24, Ashoka Chambers, 5-B, Pusa Road, Rajindra Park, New Delhi - 110060

Contact Person: Ms. Kaira Dewani, Company Secretary and Compliance Officer

Tel: +91 11 4501 2820 / 4501 2880; **Email:** smccorp011@gmail.com;

Website: www.smccredits.com **CIN:** L65910DL1992PLC049566

OUR PROMOTERS: FOCAL LEASING AND CREDITS LIMITED

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 1,50,33,000* EQUITY SHARES OF FACE VALUE ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 10/- PER EQUITY SHARE (THE “ISSUE PRICE”), FOR AN AMOUNT UPTO ₹ 1,503.33 LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 3 (THREE) RIGHTS EQUITY SHARE FOR EVERY 2 (TWO) FULLY PAID-UP EQUITY SHARE HELD FRIDAY, NOVEMBER 25, 2022. (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS EQUAL TO THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” ON PAGE 69 OF THE LETTER OF OFFER.

(*Assuming full subscription.)

The existing Equity Shares are listed on BSE Limited (“**BSE**”) (the “**Stock Exchange**”). Our Company has received ‘In-Principle’ approval from BSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letter no. DCS/RIGHT/CP/FIP/2556/2022-23 dated September 13, 2022. For the purpose of this Issue, the Designated Stock Exchange is BSE.

Procedure: If you wish to know about processes and procedures applicable to a rights issue, you may refer to the section titled “*Terms of the Issue*” on page 69 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of our Company, BSE, Lead Manager and Registrar.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under Companies Act, 1956. The Equity Shares of our Company are presently listed on BSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clauses (1) of Part B of Schedule VI to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI (ICDR) Regulations”), our Company is required to make disclosures in accordance with Part B of Schedule VI to the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

The Promoter of our Company through its letter dated August 23, 2022 (the “Subscription Letter”) have undertaken (i) to subscribe to the full extent of its Rights Entitlement, (ii) that it shall not renounce its Rights Entitlement and (iii) it may also subscribe to the unsubscribed portion in the Issue, if any, subject to compliance with the minimum public shareholding requirements as prescribed under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the Securities and Contract (Regulations) Rules, 1957.

In accordance with Regulation 86(1) of the SEBI ICDR Regulations, our Company is not required to achieve minimum subscription for the Rights Issue.

INDICATIVE TIMETABLE

Issue Opening Date	Monday, December 12, 2022	Date of Allotment/ Initiation of Refunds (on or about)	Friday, December 23, 2022
Last Date for On Market Renunciation#	Wednesday, December 14, 2022	Date of credit of Equity Shares to demat account of Allottees (on or about)	Monday, December 26, 2022
Issue Closing Date*	Monday, December 19, 2022	Date of listing	Tuesday, December 27, 2022
Finalisation of basis of Allotment (on or about)	Thursday, December 22, 2022		

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

* 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.

NOTICE TO INVESTORS

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other applicable Issue material (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlement and the Rights Equity Shares are 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 such 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 such 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. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials. Further, the Letter of Offer will be provided through e-mail by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to Registrar and who make a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, and the Stock Exchange, subject to the applicable law. Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non- dispatch of physical copies of Issue Materials.

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 the Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Rights Equity Share and/ or Rights Entitlements are permitted under laws of such jurisdictions, but not in the United States. The offering to which the 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. Accordingly, the Letter of Offer / Abridged Letter of Offer, Rights Entitlement Letter and Application Form should not be forwarded to or transmitted in or into the United States at any time.

GENERAL RISKS

Investments 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 entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and 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 the contents of the Letter of Offer. Specific attention of the investors is invited to the section titled “*Risk Factors*” on page 15 of the Letter of Offer.

Name of the Lead Manager and contact details	 SUNDAE CAPITAL ADVISORS PRIVATE LIMITED 3rd Floor, C - 11, Community Centre, Janak Puri, New Delhi - 110 058 Tel: +91 11 4914 9740, E-mail ID : smc.rights@sundaecapital.com Investors Grievance email: grievance.mb@sundaecapital.com Website: www.sundaecapital.com Contact Person: Anchal Lohia/ Manisha Sharma SEBI Registration Number: MB/INM000012494
Name of the Registrar to the Issue and contact details	 BEETAL FINANCIAL & COMPUTER SERVICES PRIVATE LIMITED Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi - 110 062 Tel: +91 11 2996 1281-83 Fax: +91 11 2996 1284 E-mail: beetralrta@gmail.com Website: www.beetalfinancial.com Contact Person: Mr. S.P. Gupta SEBI Registration Number: INR000000262
Name of the Statutory Auditors	M/s. AVP & Co., Chartered Accountants
Self-Certified Syndicate Banks (“SCSBs”)	The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Shares Allotted.
Banker to the Issue	Axis Bank Limited Address: C-3/21 Janakpuri, New Delhi 110058 Tel No.: +91 9871060161 Contact Person: Guninder aur Bhatia E-mail: guninder.bhatia@axisbank.com Website: www.axisbank.com
SUMMARY OF BUSINESS	
We are a non-banking finance company duly registered with the Reserve Bank of India and have Investment in Shares & Loans and Advances to corporate entities and source of Income includes Dividend on Investments, Interest on Loans and Profit from Share Trading. Besides this the Company also have rental income on its Fixed Assets/Building. The Company is not accepting public deposits. The Company further have operation in renting of immovable properties as other objective.	
OBJECTS OF THE ISSUE	

Requirement of Funds

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

PARTICULARS	(₹ in Lakhs) AMOUNT*
Augment capital base	1,125.00
General Corporate Purposes#	351.98
Total Net Proceeds	1,476.98
To meet the expenses of the Issue	26.35
Gross Proceeds from the Issue	1,503.33

#The amount to be utilized for General corporate purposes will not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds;

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

Utilization and Deployment of funds of Net Proceeds

Our Company intends to utilize the Net Proceeds for the following objects:

(₹ in Lakhs)

PARTICULARS	AMOUNT*
Augment capital base	1,125.00
General Corporate Purposes#	351.98
Total Net Proceeds*	1,476.98

#The amount to be utilized for General corporate purposes will not exceed 25.00% of the Gross Proceeds;

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

Means of finance

Our Company proposes to meet the entire requirement of funds for the objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75.00% (Seventy-Five Percent) of the stated means of finance for the aforesaid object, excluding the amount to be raised from the Issue.

Monitoring Agency

As the net proceeds of the Issue shall not exceed ₹10,000 lakhs, under the SEBI ICDR Regulations, it is not required that a monitoring agency be appointed by our Company.

For more details, please refer to the chapter titled “Objects of the Issue” on page 33 of the Letter of Offer.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON DATE OF THE LETTER OF OFFER

The statement of the shareholding pattern of our Company as on September 30, 2022, as included in the Letter of Offer is as follows:

Category of Shareholder	Pre-Issue number of Equity Shares held	Total as a % of Total Voting right
(A) Promoter & Promote Group	14,01,200	13.98
(B) Public	86,21,000	86.02
Grand Total	1,00,22,200	100.00

For more details, please refer to the chapter titled “Capital Structure” on page 31 of the Letter of Offer.

BOARD OF DIRECTORS

SR. NO.	NAME	DESIGNATION	OTHER DIRECTORSHIPS
1.	Mr. Prasahesh Arya	Director	<ul style="list-style-type: none">Royal InfraReality Private LimitedA to Z Securities LimitedZeal Impex and Traders Private LimitedAmity Infotech Private LimitedFocal Leasing and Credits LimitedSamman Properties Private LimitedValour Construction LimitedSukhlamber Exports LimitedVaibhavi Agro LimitedRaj Ethanol India Private Limited
2.	Mr. Rajesh Ramnani	Independent Director	<ul style="list-style-type: none">Fourth Dimension Solutions LimitedGKC Management Services Private LimitedDawn Insolvency Professionals Private Limited
3.	Ms. Jyoti	Independent Director	Nil
4.	Mr. Rajesh Goenka	Whole Time Director & CFO	<ul style="list-style-type: none">Valour Construction LimitedSukhlamber Exports LimitedGurera Udhyog LimitedAmity Infotech Private LimitedZeal Impex and Traders Private LimitedNAP Investment and Leasing Private

			Limited
			<ul style="list-style-type: none"> Faridabad Presswell Private Limited Focal Leasing and Credits Limited

For more details, see the chapter titled “Our Management” on page 40 of the Letter of Offer.

FINANCIAL INFORMATION

A summary of the audited financial information of our Company for the Financial Years ended on March 31, 2022 and March 31, 2021 and March 31, 2020 and the limited reviewed financials for the period ending September 30, 2022 is set out below:

(₹ in lakhs)

Sr. No.	Particulars	For the period ending	For the financial year ended		
		September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1.	Total Income from operations (net)	134.00	426.12	419.39	550.51
2.	Net Profit/(Loss) before Tax and extraordinary items	65.88	333.10	299.10	339.14
3.	Profit/(Loss) after Tax and extraordinary items	40.57	259.08	449.67	319.54
4.	Equity Share Capital	1,002.22	1,002.22	1,002.22	1,002.22
5.	Reserves and Surplus	3,928.52	3,887.95	3,628.87	3,179.19
6.	Net Worth	4,930.74	4,890.17	4,631.09	4,181.41
7.	Basic & Diluted earnings per share	0.40	2.59	4.49	3.19
8.	Net asset value per equity share	49.20	48.79	46.21	41.72
9.	Return on Net Worth (RONW) %	0.82%	5.30%	9.71%	7.64%

INTERNAL RISK FACTORS

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

- As an NBFC, we 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.
- The objects of the issue are based on the internal estimates of our management and have not been appraised by any bank or financial institution. Any inability on our part to effectively utilize the Issue Proceeds could adversely affect our financial results.
- Our business is vulnerable to interest rate risk and volatility in interest rates which could adversely affect our income from our operations and adversely affect our financial performance and profitability.
- There are certain legal proceedings against our Company, Promoter and Directors.
- Any disruption in our sources of funding could adversely affect our liquidity and financial condition
- We provide unsecured loans to our borrowers. If our customers default in their repayment obligations, our business, results of operations, financial condition and cash flows may be adversely affected.

For further details, see the section “Risk Factors” on page 15 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

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

Nature of cases	Number of Cases	Amount Involved (in Rs.)
LITIGATIONS INVOLVING OUR COMPANY		
Litigation Involving Actions by Statutory/Regulatory Authorities	Nil	Nil
Litigation involving Tax Liabilities		
Matters involving direct taxes, in a consolidated manner (E-proceedings)	9	Not Ascertainable
Matters involving indirect taxes, in a consolidated manner (Outstanding Demand including accrued interest)	3	50,29,836
TDS	2	478

Proceedings involving issues of moral turpitude or criminal liability on the part of our Company	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil
LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP		
Directors		
Matters involving direct taxes, in a consolidated manner (E-proceedings)	2	Not Ascertainable
Matters involving indirect taxes, in a consolidated manner (Outstanding Demand including accrued interest)	1	4,384
Promoters		
Matters involving direct taxes, in a consolidated manner (E-proceedings)	3	Not Ascertainable
Matters involving indirect taxes, in a consolidated manner (Outstanding Demand including accrued interest)	Nil	Nil
TDS	2	18,184
Litigation involving our Group Companies	NA	NA

For further details in relation to the pending litigation involving our Company, see section “*Outstanding Litigations, Defaults and Material Developments*” on page 62 of the Letter of Offer.

TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Hereafter referred to as “**SEBI Rights Issue Circular**”) and SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, the SEBI circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 (Collectively hereafter referred to as “**ASBA Circulars**”), all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “*Terms of the Issue - Application on Plain Paper under ASBA Process*” on page 80 of the Letter of Offer.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Terms of the Issue - Application on Plain Paper under ASBA Process*” on page 80 of the Letter of Offer. In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Resident Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “SMC Credits Limited – Rights Suspense Escrow Account”) opened by our Company, for the Resident 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.

Resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. Friday, November 25, 2022 are requested to provide 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) not later than two Working Days prior to the Issue Closing Date i.e. Thursday, December 15, 2022 in order to be eligible to apply for this Issue. 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.

In accordance with the SEBI Rights Issue 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 i.e. Thursday, December 15, 2022 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 must check the procedure for Application by and credit of Rights Equity Shares in “Terms of the Issue - *Procedure for Application by Eligible Equity Shareholders Holding Equity Shares In Physical Form*” on page 83 of the Letter of Offer.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 3 (Three) Rights Equity Share(s) for every 2 (Two) Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 3 Rights Equity Share(s) for every 2 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 2 Equity Share(s) or not in the multiple of 2, 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.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off- market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation.

In accordance with the SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, 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. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

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. THE LEAD MANAGER, THE REGISTRAR AND OUR COMPANY ACCEPT NO RESPONSIBILITY TO BEAR OR PAY ANY COST, APPLICABLE TAXES, CHARGES AND EXPENSES (INCLUDING BROKERAGE), AND SUCH COSTS WILL BE INCURRED SOLELY BY THE INVESTORS.

a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchange (BSE) through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circular, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN: INE440E20012 subject to requisite approvals.

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 one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., Monday, December 12, 2022 to Wednesday, December 14, 2022 (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: INE440E20012 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.

b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: INE440E20012, 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.

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 this Issue, then such Eligible Equity Shareholder can:

- 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 apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iii. apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- iv. renounce its Rights Entitlements in full.

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. Where the number of additional Rights 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 Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI (ICDR) Regulations and in the manner prescribed under the section "*Basis of Allotment*" on page 89 of the 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.

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 dematerialised 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 dematerialised 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. In accordance with the SEBI Rights Issue 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 i.e., Thursday, December 15, 2022, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period through ASBA mode. Such resident Eligible Equity Shareholders must check the procedure for Application in "*Terms of the Issue - Procedure for Application by Eligible Equity Shareholders Holding Equity Shares in Physical Form*" on page 83 of the Letter of Offer.

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

The Promoter of our Company through its letter dated August 23, 2022 (the "Subscription Letter") have undertaken (i) to subscribe to the full extent of its Rights Entitlement, (ii) that it shall not renounce its Rights Entitlement and (iii) it may also subscribe to the unsubscribed portion in the Issue, if any, subject to compliance with the minimum public shareholding requirements as prescribed under Regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities and Contract (Regulations) Rules, 1957.

Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in its percentage shareholding above their current percentage shareholding. Any acquisition of additional Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI (Substantial

Acquisition of Shares and Takeover) Regulations, 2011 and FLCL will continue to be the Promoter of the Company. Any such increase in the shareholding of the Promoter will be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

Availability of offer document of the immediately preceding public issue or rights issue for inspection: Available

ANY OTHER IMPORTANT INFORMATION AS PER THE COMPANY

PROCEDURE FOR APPLICATION

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circular and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. Further, the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date can apply for this Issue through ASBA facility. For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see “*Terms of the Issue - Procedure for Application by Eligible Equity Shareholders Holding Equity Shares In Physical Form*” on page 83 of the Letter of Offer.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, the Lead Manager, 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.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., www.beetalfinancial.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form). The link for the same shall also be available on the website of our Company (i.e. www.smccredits.com). The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable.

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

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

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected. Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see ‘Grounds for Technical Rejection’ on page 87 of this Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any 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 an Application that is available on the website of the Registrar, BSE, and Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see ‘Application on Plain Paper under ASBA process’ on page 80 of this Letter of Offer.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for 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, or have otherwise 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.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link. Please note that subject to SCSBs complying with the requirements of SEBI Circular bearing reference number 'CIR/CFD/DIL/13/2012' dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

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

Application 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. 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 address outside India. 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, the Lead Manager to provide requisite details. 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 bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- 1) Name of our Company, being 'SMC Credits 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) Registered Folio No./DP and Client ID No.;
- 4) Number of Equity Shares held as on Record Date;
- 5) Allotment option – only dematerialized form;
- 6) Number of Right Shares entitled to;
- 7) Total number of Right Shares applied for;
- 8) Number of additional Right Shares applied for, if any;
- 9) Total number of Right Shares applied for;
- 10) Total amount paid at the rate of ₹ 10/- for Right Shares issued in one Rights Entitlement;
- 11) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- 12) In case of non-resident Eligible Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the FEMA Rules.
- 13) 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 Right Shares applied for pursuant to this Issue;
- 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) In addition, all such Eligible Shareholders are deemed to have accepted the following:

"I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States 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 in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. 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 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 Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Manager, 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 we, the Registrar, the Lead Manager or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, 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 Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (hereinafter referred to as '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, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements." In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager 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.beetalfinancial.com.

I/ We acknowledge that Our Company, the Lead Manager 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."

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

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 or before the Issue Closing Date.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, 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 2 (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 1 (One) day before the Issue Closing Date;
- c) The Eligible Equity Shareholders can access the Application Form from:
 - (i) Our Company at www.smccredits.com;
 - (ii) The Registrar at www.beetalfinancial.com;
 - (iii) The Lead Manager at www.sundaecapital.com;
 - (iv) The BSE at www.bseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.beetalfinancial.com by entering their DP-ID and Client-ID and PAN. The link for the same shall also be available on the website of our Company at, www.mercurymetals.in.

- d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date, submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM 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 SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS TO RECEIVE THEIR RIGHT SHARES DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP-ID AND BENEFICIARY ACCOUNT NUMBER/

FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

IMPORTANT

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed, otherwise the Application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in “*Risk Factors*” on page 15.

All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed ‘*SMC CREDITS LIMITED – RIGHT ISSUE*’ on the envelope and postmarked in India or in the email) to the Registrar at the following address:

BEETAL FINANCIAL SERVICES PRIVATE LIMITED

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre,
New Delhi – 110 062

E-mail: beetalrta@gmail.com

Website: www.beetalfinancial.com

Contact Person: Mr. S.P. Gupta

SEBI Registration Number: INR000000262

Validity of Registration: Permanent

In accordance with SEBI Rights Issue 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 www.beetalfinancial.com. Further, helpline number provided by the Registrar for guidance on the Application process and resolution of difficulties are +91 11 2996 1281-83.

DECLARATION BY OUR COMPANY

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

SIGNED BY THE DIRECTORS OF OUR COMPANY

Sd/- MR. PRASAHESH ARYA Chairman	Sd/- MR. RAJESH GOENKA Whole-Time Director and CFO
Sd/- MS. JYOTI Director	Sd/- MR. RAJESH RAMNANI Director

SIGNED BY THE WHOLE-TIME DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

Sd/-

Rajesh Goenka

Whole-Time Director and Chief Financial Officer

Date: November 21, 2022

Place: New Delhi