

CONSENT LETTER FOR LEGAL OPINION

Date: November 7, 2023

To,**The Board of Directors**

Finelistings Technologies Limited

G-07, Ground Floor, Ambience Mall, Nelson Mandela Road,

Vasant Kunj, South West Delhi, New Delhi, Delhi,

India, 110070

Dear Sir/ Madam,

Sub: Public Issue of equity shares having a face value of Rs.10 each (the "Issue") Finelistings Technologies Limited (the "Company" or the "Issuer")

I, the undersigned, confirm that I am duly registered as a Practicing Company Secretary with the ICSI bearing registration number 12043 dated 10th June, 2013 (Certificate of registration enclosed herewith as Annexure I), and that I am authorised and competent to issue this certificate. Further, I confirm that the registration above is valid as of the date hereof, and as such, I am duly qualified to give this certification. Pursuant to the engagement letter, I have been engaged by the Company to carry out a legal opinion for certifying certain information identified in Annexure II hereto to be included in the Materials (as defined below).

Based on the information, explanations and representations provided to me by the Company along with the information, statutory records maintained by the Company, resolution, bank statement, books of accounts and minutes of the meetings of the Board of Directors of the Company and minutes of annual general meeting and extra-ordinary general meetings of the Company basis, followed, wherever applicable, examination and verification and based on my



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verification of the relevant records and documents of the Company, I, hereby certify the following as true, fair, complete, accurate and not misleading:

I further confirm that I am an independent person with no direct or indirect interest in the Company except for provision of professional services in the ordinary course of my profession.

Further, I am not in any way connected with or related to the Company, its promoters, promoter group, its key managerial personnel, its directors, its group companies or directors of its group companies, the LM or their affiliates. I hereby confirm that the information in this certificate and the annexures, including any extracts thereof, may be reproduced in the Draft Prospectus/Prospectus of the Company ("Offer Document") to be filed with the Registrar of Companies, at New Delhi ("RoC"), SEBI and the SME platform of Stock Exchange as applicable or any other document(s) to be issued, published or filed in connection with the Issue (such materials, together with the DP and the Prospectus, the "Materials").

I also give my consent to include our name as an "expert" under Section 2(38) of the Companies Act, 2013 to the extent and in the capacity as Legal Opinion, such consent has not been withdrawn as on the date of this Offer Document".

I agree to keep the information regarding the Issue strictly confidential. I consent to be named as an "expert" as defined under the provisions of the Companies Act, 2013, as amended and the rules framed thereunder, in the Materials. Further, I confirm that I am not, and have not been, engaged or interested in the formation or promotion of the management of the Company. The following details with respect to me may be disclosed in the Materials:

Name of the Entity:	Jatinbhai Harishbhai Kapadia
Address:	601, Grace Business Park, Sola,



Jatin & Kapadia

	Ahmedabad - 380060
Telephone:	8866576084
Fax Number.:	--
E-mail:	office@kjatin.com
Website	www.kjatin.com
Membership No.	FCS 11418

I confirm that the Lead Manager may rely on the contents of this certificate in connection with the Issue. Further, I undertake to immediately inform the Company and the Lead Manager in writing of any changes or qualifications or any developments in respect of the matters covered in this certificate until the date when the Equity Shares issued pursuant to the Offer commence trading on the Stock Exchange. In the absence of any such written communication from me/us, the above information contained in the Materials and certified herein should be taken as true, correct, accurate and updated until the date when the Equity Shares issued pursuant to the Issue commence trading on the Stock Exchanges. Further, I also give my consent to include this certificate as part of the 'Material Contracts and Documents for Inspection' in the Issue Documents, thereby making it available to the public for inspection. I hereby authorize you to deliver this letter to SEBI (including for any inspections), the Stock Exchanges, the RoC and any other governmental or regulatory authority as may be required. All capitalized terms not defined herein would have the same meaning as attributed to it in the Prospectus.



Jatin H. Kapadia
Proprietor

Certificate of Practice No.: 12043

Membership No: F11418

Peer Review Cert. No: 1753/2022

Date: 07/11/2023

Place: Ahmedabad

No. 012043

CP No. 12043

DUPLICATE



**THE INSTITUTE OF
Company Secretaries of India**
भारतीय कम्पनी सचिव संस्थान
IN PURSUIT OF PROFESSIONAL EXCELLENCE
Statutory body under an Act of Parliament

CERTIFICATE OF PRACTICE

This is to certify that

CS JATINBHAI HARISHBHAI KAPADIA

of
AHMEDABAD

bearing ACS - 26725 is entitled to

Practice as Company Secretary

This certificate is issued subject to the provisions of the
Company Secretaries Act, 1980 and the regulations framed thereunder,
as amended from time to time and shall be effective from

on the Tenth day of June Two Thousand Thirteen

and is renewable on year to year basis.

Given under the common seal of

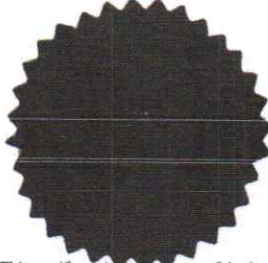
The Institute of Company Secretaries of India,

on the Tenth day of June Two Thousand Thirteen




REISSUED ON 01.09.2019


CS Ashok Kumar Dixit
Secretary



(This certificate is the property of the Institute)


CS Ranjeet Pandey
President



Annexure - 2**Privileged and Confidential**

November 07, 2023

To
Finelistings Technologies Limited
G-07, Ground Floor, Ambience Mall,
Nelson Mandela Road, Vasant Kunj,
South West Delhi,
New Delhi-110070 India

**Re: OPINION IN THE MATTER OF THE PROVISIONS OF SECTION(S) 62(1)(A)
& 63 OF THE COMPANIES ACT, 2013 RELATED TO RIGHTS ISSUES AND
ISSUE OF BONUS ISSUES ISSUED BY THE COMPANY/COMPANY**

Facts of Case:

1. The Company has requested our advice to comprehend the provisions related to Further Issue of Share Capital as laid out under Section 62(1)(a) & 63 of the Companies Act, 2013 ("Act") with regards to compliance related to Rights Issue and Issue of Bonus Shares, respectively.
2. We would like to inform you that the Company's Board of Directors approved the Further Issue of Share Capital during its meeting held on March 18, 2023. This approval was made under Section 62(1) (a) of the Act. The Company plans to issue up to 5,06,250 (Five Lakh Six Thousand Two Hundred and Fifty) Equity Shares of Face Value of INR. 10/ (Indian Rupees Ten Only) each for cash at INR. 25/- (Indian Rupees Twenty-Five Only) per Equity Share (including a premium of INR. 15/ (Indian Rupees Fifteen Only) for an aggregate amount not exceeding INR. 1,26,56,250/- (Indian Rupees One Crore Twenty-Six Lakhs Fifty-Six Thousand Two Hundred and Fifty Only). These shares will be offered to eligible equity shareholders on a rights basis in the ratio of 45 Rights Equity Share(s) for every 1 Fully Paid-Up Equity Share(s) held by the existing equity Shareholders of the Company as on the Record



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Date, which is March 18, 2023. These equity shares are known as "Rights Shares".

3. The Rights Issue was open seven days, from March 21, 2023, to March 27, 2023. During this period, the Company received 11 cheques from its existing shareholders, all dated March 27, 2023. These cheques are referred to as the "Said Cheques". As a result of receiving the Said Cheques, the Company took specific actions. The Company allotted the Rights Shares in the Board Meeting held on March 28, 2023.
4. We understand that during the meeting held on March 30, 2023, the Board of Directors of the Company recommended capitalizing an amount of up to INR 2,02,50,000/- (Indian Rupees Two Crore Two Lakh Fifty Thousand Only) from the sum available in the 'Securities Premium Account' (realized in cash) and Free Reserves of the Company as of March 30, 2023. The recommended amount was then transferred to the Share Capital Account to be used to issue and allot fully paid-up bonus shares not exceeding 20,25,000 equity shares of INR 10/- (Indian Rupees Ten Only) each. These bonus shares were to be given to eligible members of the Company who held equity shares of INR 10/- (Indian Rupees Ten Only) each and whose names appeared in the Register of Members/Beneficial Owners' position of the Company on March 27, 2023 ("Record Date") fixed by the Company. The bonus shares were to be given in the proportion of 180:1, i.e., 180 (One Eighty) new equity shares of INR. 10/- (Indian Rupees Ten Only) each for every (1) (One) existing equity share(s) of INR. 10/- (Indian Rupees Ten Only) each.
5. The shareholders of the Company during the Extra-Ordinary Meeting held on March 30, 2023, approved the issue of Bonus Shares. Later on, the Board of Directors of the Company, during their meeting held on March 31, 2023, allotted the Bonus Shares.
6. Based on the information provided, the Company has requested our opinion on the regulations that are related to Chapter IV of the Act, and how they correspond with the applicable Rules of the Companies (Share Capital and Debentures) Rules, 2014. We will also consider all amendments made to



these rules, to the extent that they are applicable.

Question:

1. Whether the Company allot the Equity Shares against Said Cheques received from the shareholders/allottees before its encashment and consequences thereto about if the Said Cheques was encashed after two (2) months.
2. The Company seeks clarification on the source and determination for the issue of Bonus Shares on whether Bonus Shares be issued against the reserve of the same fiscal year and whether it is necessary for the reserve to be utilised for the purpose of bonus issue as per the audited financial statement or financial statement as adopted by the shareholders in the AGM, i.e. the last audited account?
3. Where the record date for the bonus issue and the closure rights issue is the same, would the shareholders who received the shares on a rights basis also be subject to the bonus issue?

Analysis of Provisions

1. Under the Act, the Applicability of the Issue of Shares on a rights basis and the extract of the same is reproduced as

(1) Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

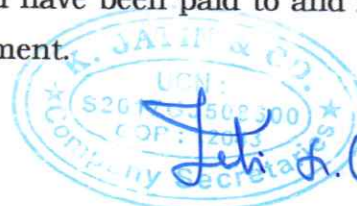
(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

- (i)* The offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days
- (ii)* Unless the articles of the company otherwise provide, the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person, and the notice referred to in clause (i) shall contain a statement of this right;



(iii) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company.

2. It is important to note that the current Act does not have any procedure or restrictions in place for further issuance of share capital on a rights basis. In the present scenario, it is evident that the Company had sent the Letter of Offer to their existing shareholders on March 18, 2023, which was duly acknowledged by them prior to the Offer Period.
3. It is important to note that at the time of the Offer, the Company was a private limited company. The existing shareholders were required to submit a cheque along with the Share-Application Form to the company. According to Clause 11 of the Letter of Offer, the cheques should be issued in the name of "Finelistings Technologies Private Limited" and sent to the company.
4. It is important to consider the provisions of the Negotiable Instruments Act 1881 which state that a cheque is an instrument negotiated by delivery. When payment is made in due course, the drawer is discharged. This means that when the cheque is tendered, there is a presumption that payment will be realized in due course. Therefore, the date of payment is considered to be the date on which the cheque is delivered, regardless of when it is actually presented for payment. However, this principle does not apply if the cheque gets dishonoured. In such a case, the date of tendering is considered to be the date of payment, just like a cash payment.
5. Although not applicable to the present case on hand, Section 39 of the Act deals with the allotment of securities by the company. According to the extract of Section 39 of the Act, no allotment of any securities of a company offered to the public for subscription can be made, unless the minimum amount stated in the prospectus has been subscribed and the sums payable on application for the amount so stated have been paid to and received by the company by cheque or other instrument.



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 Chartered Accountant

6. Based on a plain interpretation of the aforementioned provisions, the Board of Directors holds absolute discretion to choose the method and procedure for Further Issue of Share Capital on a rights basis, in accordance with Section 62(1)(a) of the Act. The Board can include the selected method and procedure in the Letter of Offer.
7. Based on the documents reviewed and analysis conducted, the Company is permitted to allot Equity Shares on a rights basis as approved by the Board of Directors on March 28, 2023, without any restrictions, notwithstanding the return of the cheque for technical reasons. Therefore, in response to Question 1, **our answer is affirmative**, applying the strict rule of interpretation.
8. Under the Act, Applicability of Issue of Bonus Shares and the extract of the same is reproduced as

(1) A company may issue fully paid-up bonus shares to its members, in any manner whatsoever, out of—

- (i) its free reserves
- (ii) the securities premium account or
- (iii) the capital redemption reserve account:

Provided that no issue of bonus shares shall be made by capitalising reserves created by the revaluation of assets.

(2) No company shall capitalise its profits or reserves for the purpose of issuing fully paid-up bonus shares under sub-section (1), unless—

- (a) it is authorised by its articles;
- (b) it has, on the recommendation of the Board, been authorised in the general meeting of the company;
- (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it;
- (d) it has not defaulted in respect of the payment of statutory dues of the employees, such as, contribution to provident fund, gratuity and bonus;
- (e) the partly paid-up shares, if any outstanding on the date of allotment,

LCN: S2177J509300
 Jitendra Choudhary
 Secretary

are made fully paid-up;

(f) it complies with such conditions as may be prescribed¹⁰.

(3) The bonus shares shall not be issued in lieu of dividend.

9. According to the Act, free reserves refer to the reserves available for distribution as dividends as per the most recent audited balance sheet of a company. The provisions mentioned in the Act do not include any reference to a Securities Premium Account (SPA) and even if they qualify for distribution as dividends, they cannot be considered free reserves.
10. **Our Response to Question 2 is affirmative.** In our understanding, on a plain reading of the above provisions, we find that the Board of Directors can utilize the free reserve and credit of the securities premium account to the extent available as of March 30, 2023, i.e. the day on which the Board of Directors proposed the bonus issue. The Company has provided an Audited Financial Statement from April 01, 2022, to March 30, 2023. The balance from the free reserves as per the audited balance sheet, being March 30, 2023, would include the current year's profit up to March 30, 2023, as well to satisfy the condition for the issue of Bonus Shares.
11. Our Responses to the **Question Response to 3 is Negative.** We find that as of March 31, 2023, while approving the allotment of Bonus Shares by the Board of Directors of the Company, the Record Date is March 27 2023. The Register of Members of the Company, as of March 27 2023, will not reflect the effect of the Rights Shares since the allotment was made on March 28 2023, and to that extent, the entitlement of the Bonus Shares cannot be made.

The views discussed in this opinion are subject to the following qualifications and disclaimers:

1. Please note that this opinion only covers the specific issues outlined in this document. It does not address any other issues, nor should it be interpreted as doing so. This includes all legal requirements that the Company must comply with under the provisions of the Act.
2. The opinion provided is based on the Act and its corresponding rules. It is


 Jitendra Kumar

important to note that the recent change in the Act could have a retrospective impact on the validity of the conclusions mentioned in this opinion or on the Company's ability to act.

3. Please note that any changes made to the Act that are applicable retrospectively or prospectively may impact the validity of the conclusions stated in this document. Any consequences arising from such changes will affect the Company only and not the undersigned.
4. Please note that the information contained in this opinion is intended solely for the addressee and must not be relied upon by any other person. We assume no liability whatsoever with respect to any disclosures or content of this opinion made to anyone other than the addressee. We also express no liability, including any financial liability, for the issuance of this opinion.
5. Please note that the information provided in this opinion, advice, or view is not legally binding on any Indian court, statutory or regulatory authorities, government agency, or department. These entities would need to review and interpret the information independently in order to enforce it. It is possible that the views expressed in this opinion may differ from those of the regulators, authorities, and government agencies in relation to the matter at hand.
6. This opinion is given in confidence for the sole benefit of the Company and its contents will not be disclosed without written consent.
7. We want to clarify that this opinion is based solely on academic and legal perspectives and on the facts that have been presented to us. We do not give advice to the Company on how to undertake a specific transaction or how to manage any associated risks. It is recommended that the Company evaluates any potential risks independently before making any decisions based on our opinion.

For, K Jatin & Co.
Company Secretaries
(UCN: S2017GJ508600)



Jatin H. Kapadia

Jatin H. Kapadia
Proprietor

Certificate of Practice No.: 12043

Membership No: F11418

Peer Review Cert. No: 1753/2022

Date: November 07, 2023

Place: Ahmedabad