BANAS FINANCE LIMITED

Our Company was incorporated on June 06, 1983, as a public limited company, in the name and style 'Pioneer Leasing Company Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Bombay, Maharashtra, India. Further, the name of our Company was changed from 'Pioneer Leasing Company Limited' to 'Banas Finance Limited' and a Certificate of Incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra, India on August 28, 1986. For details regarding changes in the name and registered office of our Company, please refer to the section titled *'General Information'* on page 38 of this Letter of Offer.

Corporate Identification Number: L65910MH1983PLC030142;
Registered Office: E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400053, Maharashtra, India;
Contact Number: +91-9152096140/41; **Contact Person:** Prajna Prakash Naik, Company Secretary & Compliance Officer;
Email Address: banasfin@gmail.com; **Website:** www.banasfinance.wordpress.com

FOR PRIVATE CIRCULATION TO THE EQUITY SHAREHOLDERS OF BANAS FINANCE LIMITED

PROMOTERS OF THE COMPANY ARE GIRRAJ KISHOR AGRAWAL, TANU GIRRAJ AGRAWAL, HANDFUL INVESTRADE PRIVATE LIMITED, AND AGRAWAL BULLION LIMITED *(FORMERLY KNOWN AS KAYAGURU HEALTH SOLUTIONS PRIVATE LIMITED*).

RIGHTS ISSUE OF 2,46,22,781 (TWO CRORES FORTY-SIX LAKHS TWENTY-TWO THOUSAND SEVEN HUNDRED AND EIGHTY-ONE) FULLY PAID-UP RIGHTS SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) (**'EQUITY SHARES'**) EACH AT A PRICE OF ₹20.00/- (RUPEES TWENTY ONLY) PER RIGHT SHARE (INCLUDING A PREMIUM OF ₹10.00/- (RUPEES TEN ONLY) PER RIGHT SHARE) (**'ISSUE PRICE'**) (**'RIGHT SHARE(S)'**) FOR AN AMOUNT OF ₹4924.56 LAKHS (RUPEES FORTY-NINE CRORES TWENTY-FOUR LAKHS FIFTY-FIVE THOUSAND SIX HUNDRED AND TWENTY ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF BANAS FINANCE LTD (**'COMPANY'** OR **'ISSUER'**) IN THE RATIO OF 24 (TWENTY-FOUR) RIGHTS SHARES FOR EVERY 25 (TWENTY-FIVE) EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, FRIDAY, JUNE 24, 2022 (**'ISSUE'**). THE ISSUE PRICE IS TWO (2) TIMES 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.

WILFUL DEFAULTERS AND/ OR FRAUDULENT BORROWERS

Neither our Company, nor our Promoters or our Directors are categorized as wilful defaulters and/or fraudulent borrowers by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue including the risks involved. The Right Shares have not been recommended or approved by Securities and Exchange Board of India (**'SEBI'**) nor does SEBI guarantee the accuracy or adequacy of this Letter of Offer. Investors are advised to refer ***'Risk Factors'*** beginning on page 22 of this Letter of Offer before investing in the Issue.

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed and traded on BSE Limited **('BSE')**. Our Company has received in-principle approval from BSE for the listing of the Right Shares pursuant to its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022. Our Company will also make applications to the BSE to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13' dated January 22, 2020, For the purposes of this Issue, BSE is the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE

CAPITALSQUARE™
Teaming together to create value

CAPITALSQUARE ADVISORS PRIVATE LIMITED
205-209, 2nd Floor, AARPEE Center,
MIDC Road No 11, CTS 70, Andheri (East),
Mumbai – 400093, Maharashtra, India;
Contact Number: +91-22-66849999/ 145/ 138;
Website: www.capitalsquare.in;
Email Address/ Investor Grievance E-Mail Address:
tanmoy.banerjee@capitalsquare.in/ pankita.patel@capitalsquare.in;
Contact Person: Mr. Tanmoy Banerjee/Ms Pankita Patel;
SEBI Registration Number: INM000012219;
Validity of Registration: Permanent.

REGISTRAR TO THE ISSUE

PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate,
J. R. Boricha Marg, Lower Parel (East),
Mumbai – 400011, Maharashtra, India;
Contact Number: + 9191-91-22-23010771 /022-49614132;;
Website: www.purvashare.com;
Email Address/ Investor Grievance E-Mail Address:
support@purvashare.com;
Contact Person: Ms. Deepali Dhuri;
SEBI Registration Number: INR000001112;
Validity of Registration: Permanent.

ISSUE PROGRAMME

ISSUE OPENING DATE	LAST DATE FOR MARKET RENUNCIATION*	ISSUE CLOSING DATE**
TUESDAY, JULY 05, 2022	THURSDAY, JULY 14, 2022	TUESDAY, JULY 19, 2022

**Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
*** Our Board or a 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. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

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

This Letter of Offer uses the definitions and abbreviations set forth below, which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies, or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

The words and expressions used in this Letter of Offer, but not defined herein, shall have the same meaning (to the extent applicable) ascribed to such terms under the SEBI (ICDR) Regulations, the Companies Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in section titled ***'Industry Overview'***, ***'Statement of Tax Benefits'***, ***'Financial Information'***, ***'Outstanding Litigations, Defaults, and Material Developments'*** and ***'Terms of the Issue'*** on page 58, 54, 72, 123, and 123 respectively, shall have the meaning given to such terms in such sections.

COMPANY RELATED TERMS

Term	Description
Banas Finance Limited/ Company	Banas Finance Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, as amended from time to time;
We/ us/ our	Unless the context otherwise indicates or implies, refers to Banas Finance Limited;
AoA/ Articles of Association	The Articles of Association of Banas Finance Limited, as amended from time to time;
Audit Committee	The committee of the Board of Directors constituted as our Company's audit committee in accordance with Regulation 18 of the SEBI (LODR) Regulations and Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company, M/s. Pravin Chandak & Associates, Chartered Accountants;
Board of Directors/ Board	Board of Directors of our Company;
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, Nemichand Saini;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, Prajna Prakash Naik;
Company's ISIN	International Securities Identification Number of our Company being INE521L01030;
Consolidated Audited Financial Statements	The consolidated audited financial statements of our Company prepared in accordance with Ind AS for the Financial Years 2022, and 2021;
Consolidated Unaudited Limited Reviewed Financial Statements	The consolidated unaudited limited reviewed financial statement of our Company for the half-year ending September 30, 2021, prepared in accordance with Ind AS;
Corporate Social Responsibility Committee/ CSR Committee	The committee of the Board of directors constituted as our Company's corporate social responsibility committee in accordance with Section 135 of the Companies Act, 2013. For details of the Independent Directors, please refer to section titled ***'Our Management'*** beginning on page 68 of this Letter of Offer;
Directors	The director(s) on the Board of our Company, unless otherwise specified.
Eligible Shareholder(s)	Eligible equity holder(s) of the Equity Shares of Banas Finance Limited as on the Record Date;
Equity Shares	Equity Share of the Company having face value of ₹10.00 (Rupees Ten only);

Term	Description
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI (LODR) Regulations. For details of the Independent Directors, please refer to section titled ***'Our Management'*** beginning on page 68 of this Letter of Offer;
Key Management Personnel /KMP	Key management personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI (ICDR) Regulations and Section 2(51) of the Companies Act, 2013. For details, please refer to section titled ***'Our Management'*** beginning on page 68 of this Letter of Offer;
MoA / Memorandum of Association	The Memorandum of Association of Banas Finance Limited, as amended from time to time;
Nomination and Remuneration Committee	The committee of the Board of directors reconstituted as our Company's Nomination and Remuneration Committee in accordance with Regulation 19 of the SEBI (LODR) Regulations and Section 178 of the Companies Act, 2013;
Promoters	Girraj Kishor Agrawal, Tanu Girraj Agrawal, Handful Investrade Private Limited, and Agrawal Bullion Limited (Formerly known as Kayaguru Health Solutions Private Limited);
Promoter Group	Persons and entities forming part of the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations and as disclosed by our Company in the filings made with the BSE Limited under the SEBI (LODR) Regulations;
Registered Office	The registered office of our Company located at E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra, India;
Registrar of Companies	Registrar of Companies, Mumbai situated at 100, Everest, Marine Drive, Mumbai – 400002, Maharashtra, India;
Stakeholders' Relationship Committee	The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI (LODR) Regulations Section 178 of the Companies Act, 2013;
Stock Exchange/ Designated Stock Exchange	BSE Limited;

ISSUE RELATED TERMS

Term	Description
Abridged Letter of Offer	Abridged Letter of Offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI (ICDR) Regulations and the Companies Act;
Additional Right Shares	The Right Shares applied or allotted under this Issue in addition to the Rights Entitlement;
Allot/ Allotment/ Allotted	Unless the context requires, the allotment of Right Shares pursuant to this Issue;
Allotment Account	The account opened with the Banker to the Issue, into which the Application Money lying to the credit of the escrow account(s) and Application amounts by ASBA blocked in the ASBA Account, with respect to successful Investors will be transferred on the Transfer Date in accordance with Section 40 (3) of the Companies Act;
Allotment Advice	Note, advice, or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Right Shares pursuant to this Issue;
Allotment Date	Date on which the Allotment is made pursuant to this Issue;
Allottees	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment;
Applicant(s)/ Investor(s)	Eligible Shareholder(s) and/or Renouncee(s) who make an application for the Right Shares pursuant to this Issue in terms of the Letter of Offer, including an ASBA Investor;
Application	Application made through submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such

Term	Description
	SCSBs) under the ASBA process, to subscribe to the Equity Shares at the Issue Price;
Application Form	Unless the context otherwise requires, an application form through the website of the SCSBs (if made available by such SCSBs) under the ASBA process used by an Investor to make an application for the Allotment of Equity Shares in the Issue;
Application Money	Aggregate amount payable at the time of Application ₹20.00/- (Rupees Twenty Only) in respect of the Right Shares applied for in this Issue at the Issue Price;
Application Supported by Blocked Amount/ ASBA	Application (whether physical or electronic) used by ASBA Investors to make an application authorizing the SCSB to block the Application Money in the ASBA Account maintained with such SCSB;
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Shareholders, as the case may be
ASBA Applicant /ASBA Investor	As per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, all investors (including Renouncees) shall make an application for an Issue only through ASBA facility;
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers 'SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009', 'CIR/CFD/DIL/1/2011 dated April 29, 2011', and 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020';
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being IndusInd Bank Limited;
Bankers to the Issue Agreement	Agreement dated Tuesday, June 21, 2022, entered into by and amongst our Company, the Lead Manager the Registrar to the Issue, and the Bankers to the Issue for collection of the Application Money, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement;
Basis of Allotment	The basis on which the Right Shares will be Allotted to successful Applicants in the Issue, and which is described in the section titled ***'Terms of the Issue'*** beginning on page 143 of this Letter of Offer;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes;
Consolidated Certificate	The certificate that would be issued for Rights Equity Shares Allotted to each folio in case of Eligible Equity Shareholders who hold Equity Shares in physical form.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation, and bank account details, where applicable;
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms submitted by ASBA Bidders, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, updated from time to time, or at such other website as may be prescribed by SEBI from time to time;
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996;

Term	Description
Draft Letter of Offer/ DLoF	The revised Draft Letter of Offer dated Wednesday, April 27, 2022, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations;
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being IndusInd Bank Limited;
Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date i.e., Friday, June 24, 2022. Please note that the investors eligible to participate in the Issue exclude certain overseas shareholders;
Issue/ Rights Issue	Rights Issue of 2,46,22,781(Two Crores Forty-Six Lakhs Twenty-Two Thousand Seven Hundred and Eighty-One) Equity Shares of our Company for cash at a price of ₹20.00/- (Rupees Twenty Only) per Right Share (including a premium of ₹10.00/- (Rupees Ten Only) per Right Share) on a rights basis to the Eligible Shareholders of our Company in the ratio of 24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. Friday, June 24, 2022;
Issue Opening Date	Tuesday, July 05, 2022;
Issue Closing Date	Tuesday, July 19, 2022;
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/ Investors can submit their applications, in accordance with the SEBI (ICDR) Regulations;
Issue Price	₹20.00/- (Rupees Twenty Only), including a premium of ₹10.00/- (Rupees Ten Only) per Right Share issued in 1 (One) Rights Entitlement;
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹4,924.56 Lakhs (Forty-Nine Crores Twenty-Four Lakhs Fifty-Five Thousand Six Hundred and Twenty Only) (*Assuming full subscription)*;
Lead Manager	CapitalSquare Advisors Private Limited;
Letter of Offer/ LoF	The final letter of offer filed with the BSE Limited after incorporating the observations received from the BSE Limited on the Letter of Offer;
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application;
Net Proceeds	Issue Proceeds less the Issue related expenses. For further details, please refer to the section titled ***'Objects of the Issue'*** beginning on page 49 of this Letter of Offer;
Non-ASBA Investor/ Non-ASBA Applicant	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process comprising Eligible Shareholders holding Equity Shares in physical form or who intend to renounce their Rights Entitlement in part or full and Renouncees;
Non-Institutional Investors/ NIIs	An Investor other than a Retail Individual Investor or Qualified Institutional Buyer as defined under Regulation 2(1)(jj) of the SEBI (ICDR) Regulations;
Offer Document	The Letter of Offer, Letter of Offer, Abridged Letter of Offer including any notices, corrigendum thereto;
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws;
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stockbroker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchange, from time to time, and other applicable laws, on or before Thursday, July 14, 2022;

Term	Description
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI (ICDR) Regulations;
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Right Shares, being Friday, June 24, 2022;
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT, or ASBA process, as applicable;
Registrar to the Issue	Purva Sharegistry (India) Private Limited;
Registrar Agreement	Agreement dated Monday, January 10, 2022, entered between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue;
Renouncee	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date i.e., Tuesday, July 05, 2022. Such period shall close on in case of On Market Renunciation on Thursday, July 14, 2022. Eligible 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 i.e., Tuesday, July 19, 2022;
Retail Individual Investors/ RIIs	An individual Investor (including an HUF applying through karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2.00 Lakhs (Rupees Two Lakhs Only) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations;
Rights Entitlement (s)/ RES	The number of Right Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by an Eligible Shareholder. The Rights Entitlements with a separate ISIN 'INE521L20014' will be credited to your demat account before the date of opening of the Issue, against the Equity Shares held by the Equity Shareholders as on the Record Date, pursuant to the provisions of the SEBI (ICDR) Regulations and the SEBI Rights Issue Circular, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date;
Rights Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Shareholders;
Right Shares	Equity Shares of our Company to be Allotted pursuant to this Issue;
SEBI Rights Issue Circulars	Collectively, SEBI circulars bearing reference number 'SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020', 'SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020', 'SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020', 'SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021', SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, SEBI/HO/CFD/DIL2/CIR/P/2021/633 dated October 01, 2021;
Self-Certified Syndicate Banks/ SCSB(s)	The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time;

Term	Description
Transfer Date	The date on which the amount held in the escrow account(s) and the amount blocked in the ASBA Account will be transferred to the Allotment Account, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange;
Wilful Defaulter	A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of SEBI (ICDR) Regulations and in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such;
Working Day(s)	All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchange. 'Working Day' shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI.

ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
AGM	Annual General Meeting;
AIF	Alternative Investment Fund as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
AS	Accounting Standards issued by the Institute of Chartered Accountants of India;
CAF	Common Application Form;
CDSL	Central Depository Services (India) Limited;
CFO	Chief Financial Officer;
CIN	Corporate Identification Number;
CIT	Commissioner of Income Tax;
CLRA	Contract Labour (Regulation and Abolition) Act, 1970;
Companies Act	Companies Act, 2013 along with rules made thereunder;
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections) ;
CSR	Corporate Social Responsibility;
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
Depositories Act	The Depositories Act, 1996 and amendments thereto;
DIN	Director Identification Number;
DP	Depository Participant as defined under the Depositories Act;
DP-ID	Depository Participant's Identification;
DR	Depository Receipts;
EBITDA	Profit/(loss) after tax for the year adjusted for income tax expense, finance costs, depreciation, and amortization expense, as presented in the statement of profit and loss;
EGM	Extraordinary General Meeting;
EEA	European Economic Area;
EPS	Earning per Equity Share;
FDI	Foreign Direct Investment;
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder;

Term	Description
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019;
FII(s)	Foreign Institutional Investors registered with SEBI under applicable laws;
FIPB	Foreign Investment Promotion Board;
FPIs	Foreign Portfolio Investors;
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI;
FY	Period of 12 months ended March 31 of that particular year, unless otherwise stated;
GAAP	Generally Accepted Accounting Principles;
GDP	Gross Domestic Product;
GDR	Global Depository Receipt;
GNPA	Gross Net Performing Assets;
GoI / Government	The Government of India;
GST	Goods and Services Tax;
HUF	Hindu Undivided Family;
Ind AS	Indian Accounting Standards;
ICAI	The Institute of Chartered Accountants of India;
ICSI	The Institute of Company Secretaries of India;
IFRS	International Financial Reporting Standards;
Indian GAAP/ I-GAAP	Generally Accepted Accounting Principles in India;
Income Tax Act/ IT Act	The Income Tax Act, 1961 and amendments thereto;
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
Insolvency Code	Insolvency and Bankruptcy Code, 2016, as amended;
INR / ₹ / Rs./ Indian Rupees	Indian Rupee, the official currency of the Republic of India;
IT	Information Technology;
MCA	The Ministry of Corporate Affairs, GoI;
Mn / mn	Million;
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996;
N.A. or NA	Not Applicable;
NAV	Net Asset Value;
NEFT	National Electronic Fund Transfer;
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect;
NR/ Non- Resident	A person resident outside India, as defined under the FEMA and includes an NRI, FPIs registered with SEBI and FVCIs registered with SEBI;
NRE	Account Non-resident external account;
NRI	Non-resident Indian;
NSDL	National Securities Depository Limited;
NSE	National Stock Exchange of India Limited;
OCB	Overseas Corporate Body;
p.a.	Per annum;
P/E Ratio	Price/Earnings Ratio;
PAN	Permanent account number;
PAT	Profit after Tax;
RBI	Reserve Bank of India;
RBI Act	Reserve Bank of India Act, 1934;
RoNW	Return on Net Worth;
SCORES	SEBI Complaints Redress System;
SCRA	Securities Contracts (Regulation) Act, 1956;

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992;
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time;
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
Securities Act	United States Securities Act of 1933, as amended;
STT	Securities transaction tax;
Trademark Act	Trademarks Act, 1999 and the rules thereunder, including subsequent amendments thereto;
VCF	Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be
w.e.f.	With effect from;

NOTICE TO OVERSEAS INVESTORS

The distribution of Offer Documents and the issue of Rights Entitlement and Rights Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession Offer Documents may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders and will electronically dispatch through email and physical dispatch through speed post the Offer Documents only to Eligible Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and speed post, by the Registrar on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company or who are in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access Offer Documents from the websites of the Company, Registrar, Lead Manager, SEBI, BSE Limited.

No action has been or will be taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Letter of Offer has been filed with BSE Limited for observations. Accordingly, the the Rights Entitlements and the Right Shares may not be offered or sold, directly or indirectly, and the Offer Documents may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Receipt of the Offer Documents will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under such circumstances, Letter of Offer, Abridged Letter of Offer, and the Application Form must be treated as sent for information only and should not be acted upon for subscription to Right Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of the Offer Documents should not, in connection with the Issue of the Right Shares or Rights Entitlements, distribute or send the same in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If Offer Documents is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Right Shares, or the Rights Entitlements referred to in the Offer Documents.

Any person who makes an application to acquire Rights Entitlements and Right Shares offered in this Issue will be deemed to have declared, represented, warranted, and agreed that she/he is authorized to acquire the Rights Entitlements and Right Shares in compliance with all applicable laws and regulations prevailing in her/his jurisdiction.

Our Company, the Registrar or any other person acting on behalf of us reserve the right to treat any Application Form as invalid where we believe that Application Form is incomplete, or acceptance of such Application Form may infringe the applicable legal or regulatory requirements and we shall not be bound to allot or issue any Right Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of the Letter of Offer, nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time after the date of the Letter of Offer.

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

The contents of the Offer Documents should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Right Entitlements and Right Shares. In addition, our Company is not making any representation to any offeree or purchaser of the Right Entitlements and Right Shares regarding the legality of an investment in the Right Entitlements and Right Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Right Entitlements and the Right Shares of our Company have not been and will not be registered under the 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, except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Right Entitlements and Right Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Right Entitlements and Right Shares. Accordingly, the Offer Documents should not be forwarded to or transmitted in or into the United States at any time. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Right Entitlements or Right Shares within the United States by a dealer (whether it is participating in the Issue) may violate the registration requirements of the Securities Act.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is in the United States when the buy order is made. Envelopes containing Application Form and Right Entitlement Letter should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India.

Our Company is making this Issue to Eligible Shareholders of our Company on the Record Date and the Offer Documents will be dispatched only to Equity Shareholders who have an Indian address. Any person who acquires Right Entitlement and the Right Shares will be deemed to have declared, represented, warranted, and agreed, that:

1. It is not and that at the time of subscribing for the Right Entitlements or the Rights Shares, it will not be, in the United States when the buy order is made,

2. It does not have a registered address (and is not otherwise located) in the United States, and

3. It is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat any Application Form as invalid which:

1. Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Right Entitlement and the Right Shares in compliance with all applicable laws and regulations.

2. Appears to our Company or its agents to have been executed in or dispatched from the United States.

3. Where a registered Indian address is not provided; or

4. Where our Company believes that Application Form is incomplete, or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Entitlements or Right Shares in respect of any such Application Form.

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

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

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

PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

CERTAIN CONVENTIONS

In this Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to the/our 'Company', 'we', 'our', 'us', or similar terms are to Banas Finance Limited or, as the context requires, and references to 'you' are to the Equity Shareholders and/ or prospective Investors in the Equity Shares.

FINANCIAL DATA

Unless stated otherwise, the financial information and financial ratio in this Letter of Offer is derived from the Consolidated Unaudited Limited Review Financial Statement and Consolidated Audited Financial Statements, which have been prepared in accordance with Ind AS, and the Companies Act, 2013. For further details, please refer to the section titled ***'Financial Information'*** beginning on page 72 of this Letter of Offer. The financial year of our Company commences on April 01 and ends on March 31.

In this Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

CURRENCY OF PRESENTATION

All references in this Letter of Offer to 'Rupees', 'Rs.', '₹', 'Indian Rupees' and 'INR' are to Rupees, the official currency of the Republic of India.

All references to 'U.S. $', 'U.S. Dollar', 'USD' or '$' are to United States Dollars, the official currency of the United States of America.

Please Note:

One million is equal to 1,000,000/10 lakhs.

One billion is equal to 1,000 million/100 crores.

One lakh is equal to 100 thousand.

One crore is equal to 10 million/100 lakhs.

FORWARD LOOKING STATEMENTS

We have included statements in this Letter of Offer which contain words or phrases such as 'will', 'may', 'aim', 'is likely to result', 'believe', 'expect', 'continue', 'anticipate', 'estimate', 'intend', 'plan', 'contemplate', 'seek to', 'future', 'objective', 'goal', 'project', 'should', 'pursue' and similar expressions or variations of such expressions, that are 'forward looking statements'.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. Impact of the COVID-19 pandemic on our business, financial conditions, and results of operations.
2. Any disruption in our sources of funding or increase in costs of funding.
3. Risk of non-payment or default by borrowers.
4. We are affected by volatility in interest rates, adversely affecting our net interest income.
5. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies.
6. Changes in laws and regulations relating to the sectors and industry in which we operate.
7. Increased competition in industries and sector in which we operate.
8. Factors affecting the industry in which we operate.
9. Our failure to keep pace with rapid changes in technology.
10. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices.
11. Occurrence of natural disasters or calamities affecting the areas in which we have operations.
12. Any adverse outcome in the legal proceedings in which our Company is involved.
13. Other factors beyond our control.
14. Our ability to manage risks that arise from these factors.
15. Changes in Government policies and Regulatory actions that apply to or affect our business.
16. Conflicts of interest with affiliated companies, the promoter group and other related parties; and
17. The performance of the financial markets in India and globally.

For a further discussion of factors that could cause the actual results to differ, please refer to the section titled **'*Risk Factors*'** beginning on page 22 of this Letter of Offer. By their nature, certain market risk disclosures are only estimates and could materially be different from what occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance. Our Company or advisors does not have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI and Stock Exchange' requirements, our Company shall ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permission by the BSE Limited.

SECTION II – SUMMARY OF THE LETTER OF OFFER

The following is a general summary of certain disclosures included in this Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Letter of Offer or all details relevant to prospective Investors. This summary should be read in conjunction with and is qualified by the more detailed information appearing in this Letter of Offer, including the sections titled ***'Risk Factors'***, ***'Objects of the Issue'***, ***'Business Overview'*** and ***'Outstanding Litigations, Defaults and Material Developments'*** beginning on pages 22, 49, 63, and 123 of this Letter of Offer, respectively.

SUMMARY OF OUR BUSINESS

Our Company is a non-deposit taking non-banking finance company undertaking finance and share trading transactions and indulging in advancing of funds to persons, firms, or body corporates, receiving money on deposit or loan to carry on business as financier's factors, undertaking and carrying on business as financier's factors and executing all kinds of financial operations, except of banking business transactions.

For further details, please refer to the chapter titled ***'Business Overview'*** beginning on page 49 of this Letter of Offer.

OBJECTS OF THE ISSUE

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹4,924.56
Less: Estimated Issue related Expenses	(₹57.25)
Net Proceeds from the Issue	**₹4,867.31**

 # Assuming full subscription and allotment

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1)	Towards working capital requirements;	₹2,286.20
2)	Investment in our Material Associate, Tilak Ventures Limited for augmentation of funding requirements for its business activities;	₹1,652.50
3)	General Corporate Purposes#	₹928.61
Total Net Proceeds@		**₹4,867.31**

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

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

For further details, please refer to the chapter titled ***'Objects of the Issue'*** beginning on page 49 of this Letter of Offer.

PROMOTERS OF OUR COMPANY

The Promoters of our Company are Girraj Kishor Agrawal, Tanu Girraj Agarwal, Handful Investrade Private Limited, and Agrawal Bullion Limited (Formerly known as Kayaguru Health Solutions Private Limited).

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and members of Promoter Group of our Company, through their letters dated Wednesday, January 05, 2022, have confirmed that they intend to subscribe in part or to full extent of their Right Entitlements in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Our Promoter and members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Any such subscription for Right Shares over and above the Rights Entitlement of the Promoters of our Company, if allotted, may result in an increase in their shareholding percentage in the Company. The allotment of Right Shares of the Company subscribed by the Promoter and other members of the Promoter Group in this Issue shall be eligible for exemption from open offer requirements in terms of Regulation 10(4)(a) and 10(4)(b) of the SEBI (SAST) Regulations. This Issue shall not result in a change of control of the management of our Company in accordance with the provisions of SEBI (SAST) Regulations. Our Company is in compliance with Regulation 38 of the SEBI (LODR) Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

FINANCIAL INFORMATION

The following table sets forth the summary of the financial information derived from the Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2021, along with Consolidated Audited Financial Statements for the financial years ending March 31, 2021, and March 31, 2020.

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Equity Share Capital	₹2,564.87	₹2,564.87	₹2,564.87
Net Worth	₹16,148.14	₹9,298.24	₹8,120.18
Total Income	₹1,320.12	₹564.60	₹894.93
Profit / (loss) after tax	₹6,906.21	₹1,178.07	₹119.52
Basic and Diluted EPS	₹26.93/-	₹4.37/-	₹1.05/-
Net asset value per Equity Share	₹62.96/-	₹36.25/-	₹67.94/-
Total borrowings	₹689.70	₹1,120.40	₹1,060.70

For further details, please refer to section titled **'*Financial Statements*'** beginning on page 72 of this Letter of Offer.

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled **'*Financial Statements*'** beginning on page 72 of this Letter of Offer.

OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities;	Nil	Nil
Litigation involving Tax Liabilities;	9	₹,1524.84
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company;	Nil	Nil

Nature of cases	Number of cases	Amount involved
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;	-	-
Litigation involving our Group Companies;	Nil	Nil

For further details, please refer to section titled ***'Outstanding Litigations, Defaults and Material Developments'*** beginning on page 123 of this Letter of Offer.

RISK FACTORS

For details of potential risks associated with our ongoing business activities and industry, investment in Equity Shares, material litigations which impact the business of the Company and other economic factors, please refer to the section titled **'*Risk Factors*'** beginning on page 22 of this Letter of Offer.

CONTINGENT LIABILITIES

For details of the contingent liabilities, as reported in the Consolidated Audited Financial Statements, please refer to the section titled ***'Financial Statements'*** beginning on page 72 of this Letter of Offer.

RELATED PARTY TRANSACTIONS

Following stated is the brief of the related party transactions undertaken by our Company as per Consolidated Audited Financial Statements for the Financial Years ending March 31, 2022, March 31, 2021, and March 31, 2020:

Sr. No.	Name of the related party	Relation	Nature of transaction	Transaction for the Financial Years ending March 31,		
				2022	2021	2020
1.	Agrawal Bullion Limited	Promoter	Interest Paid	-	₹1.13	₹2.89
			Loan Repaid	-	₹35.04	₹455.50
			Loan Taken	-	₹3.50	₹455.50
2.	Axon Ventures Limited	Transferor Company merged with our Company during the Financial Year ending March 31, 21	Interest Received	-	-	₹0.047
			Loan Given	-	-	₹15.00
			Loan Given Repaid	-	-	₹15.00
			Loan Repaid	-	-	₹19.00
			Loan Taken	-	-	₹19.00
3.	Girraj Kishor Agrawal	Promoter Director	Other expenses paid on behalf of the company	-	₹0.012	₹0.22
			Rent paid	-	-	₹0.30
4.	Girraj Kishor Agrawal HUF	HUF of Promoter Director Girraj Kishor Agrawal	Other expenses paid on behalf of the company	-	-	₹0.012
5.	Handful Investrade Private Limited	Promoter	Interest Paid	-	₹2.92	₹3.26
			Interest Received	-	-	₹0.09
			Loan Given	-	-	₹22.50
			Loan Given Repaid	-	-	₹10.75
			Loan Repaid	-	₹90.00	₹329.00
			Loan Taken	-	₹90.00	₹306.50

Sr. No.	Name of the related party	Relation	Nature of transaction	Transaction for the Financial Years ending March 31,		
				2022	2021	2020
6.	Jyotsna Bhatt	Director (resigned w.e.f. December 31, 2020)	Sitting Fees	-	₹0.50	₹0.24
7.	Kajol Tak		Salary	-	-	₹0.17
8.	Kayaguru Capital Market Private Limited	Group Company (Transferor Company merged with Amaya Marketing Private Limited during the Financial Year ending March 31, 2021.)	Loan Repaid	-		-
			Shares Purchase	-	₹325.80	₹55.00
			Shares Sales	-	-	₹25.00
9.	Prajna Prakash Naik	Company Secretary and Compliance Officer	Salary	₹5.89	₹5.26	-
10.	Proaim Enterprises Limited	Transferor Company merged with our Company during the Financial Year ending March 31, 21	Interest Received	-	-	₹0.16
			Loan Given	-	-	₹67.00
			Loan Given Repaid	-	-	₹67.00
			Loan Repaid	-	-	₹9.75
			Loan Taken	-	-	₹9.75
			Interest	-	₹0.16	-
11.	Rockon Enterprises Limited	Transferor Company merged with our Company during the Financial Year ending March 31, 21	Loan Repaid	-	₹0.55	-
			Interest Paid	-	-	₹0.08
			Loan Given	-	-	₹1.00
			Loan Given Repaid	-	-	₹0.25
			Loan Repaid	-	-	₹24.25
			Loan Taken	-	-	₹23.50
			Interest	-	₹0.07	-
			Share Purchase	-	₹47.85	-
12.	Tanu Girraj Agrawal	Promoter Director	Interest Paid	-	-	₹1.44
			Loan Given	-	-	₹64.00
			Loan Given Repaid	-	-	₹64.00
			Loan Repaid	-	-	₹110.00
			Loan Taken	-	-	₹110.00
13.	Tilak Ventures Limited	Associate Company	Interest Paid/ Recvd	₹0.06	₹11.27	₹0.22
			Loan Given	₹0.50	₹339.00/-	-
			Loan Given Repaid	₹0.50	₹339.00/-	-
			Loan Repaid	-	-	₹311.80
			Loan Taken	-	-	₹311.80
			Other expenses paid on behalf of the company	-	-	-
14.	Chirag Goyal	Additional Director	Salary	₹0.72	₹0.18	-
15.	Vikas Kulhariya	Additional Director	Salary	₹0.72	₹0.18	-
16.	Nemichand Saini	Chief Financial Officer	Salary	₹1.68	₹0.68	-
17.	Rockon Capital Market Pvt. Ltd.	Group Company (Transferor Company merged with Amaya Marketing Private Limited during the Financial Year ending March 31, 2021.)	Share purchase		47.85	

For details of the Related Party Transactions, as reported in the Consolidated Audited Financial Statements, please refer to the section titled ***'Financial Statements'*** beginning on page 72 of this Letter of Offer.

FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Directors and their relatives have financed the purchase, by any other person of Equity Shares other than in the normal course of the business of the financing entity during the period of 6 (Six) months immediately preceding the date of this Letter of Offer.

ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEDING THE DATE OF FILING OF THIS LETTER OF OFFER

Except in pursuance of the scheme of amalgamation order passed by the Hon'ble bench of National Company Law Tribunal, Mumbai, approving the merger of Proaim Enterprises Limited, Axon Ventures Limited, Rockon Enterprises Limited, our Company had issued 1,42,72,730 (One Crore Forty-Two Lakhs Seventy-Two Thousand Seven Hundred and Thirty) Equity Shares, details of which are scheduled in the table below, our Company has not issued any Equity Shares for consideration other than cash during the last 1 (One) year immediately preceding the date of filing this Letter of Offer.

Sr. No.	Name of the Transferor Company	No. of Equity Shares allotted pursuant to the scheme of amalgamation passed by the NCLT	Exchange Ratio per scheme of amalgamation
1.	Proaim Enterprises Limited (First Transferor Company)	63,26,245	50 (Fifty) Equity Shares, for every 100 Equity Share of face value of ₹10.00/- (Rupees Ten Only) each held in Proaim Enterprises Limited
2.	Axon Ventures Limited (Second Transferor Company)	36,67,200	48 (Forty-Eight) Equity Shares, for every 100 Equity Share of face value of ₹10.00/- (Rupees Ten Only) each in Axon Ventures Limited.
3.	Rockon Enterprises Limited (Third Transferor Company)	42,79,285	26 (Twenty-Six) Equity Shares, for every 100 Equity Share of face value of ₹10.00/- (Rupees Ten Only) each in Rockon Enterprises Limited.
Total		**1,42,72,730**	

The aforesaid issued 1,42,72,730 (One Crore Forty-Two Lakhs Seventy-Two Thousand Seven Hundred and Thirty) Equity Shares were allotted on Tuesday, September 15, 2020, and were listed and permitted for trading on Friday, March 12, 2021.

SECTION III – RISK FACTORS

*An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Letter of Offer, including in **'Business Overview'**, **'Industry Overview'**, and **'Financial Statements'** beginning on pages 63,58, and 72 respectively in this Letter of Offer, before making an investment in our Equity Shares.*

The risks and uncertainties described below are not the only risks that we currently face; additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations, and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, occur, our business, financial condition, and results of operations could suffer, the trading price and the value of your investment in, our Equity Shares could decline, and you may lose all or part of your investment. To the extent the COVID-19 pandemic has adversely affected and may affect our business and financial results, it may also have the effect of increasing many of the other risks described in this section, such as those relating to non-payment or default by borrowers. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your tax, financial, and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section. Unless the context otherwise requires, in this section, reference to 'we', 'us', 'our' refers to our Company.

INTERNAL RISK FACTORS

1. Our Individual Promoters have been penalised by SEBI's Adjudicating Officer for violation of the provisions of SEBI (PFUTP) Regulations.

A penalty of ₹70,00,000.00/- (Rupees Seventy Lakhs Only) has been imposed under Section 15HA of the SEBI Act on our Individual Promoters, Girraj Kishor Agrawal and Tanu Girraj Agarwal, jointly and severally with Tilak Finance Limited (now Tilak Ventures Limited (our associate company)), via SEBI's order bearing reference number 'MC/HP/2021-2022/12813-12829 dated July, 30 2021', for the violation of the provisions of Regulations 3 (a),(b),(c),(d), and 4 of the SEBI (PFUTP) Regulations. We cannot however assure you that no other proceedings will be initiated by SEBI against the Promoters for the violation which in turn may have a material adverse effect on our reputation and business.

As on date of this Letter of Offer, the Company has paid-off the levied penalty, and on Wednesday, February 23, 2022, has filed an appeal to Supreme Court of India, against the said SEBI order bearing case number 'C.A. No.001611 -001613/2022'. We cannot assure you that these legal proceedings will be decided in favour of our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

Further, a penalty of ₹300.00 Lakhs and ₹200.00/- Lakhs had been imposed under the provisions of 15HA of the SEBI Act against on our Individual Promoters, Girraj Kishor Agrawal, and Tanu Girraj Agarwal, respectively vide SEBI Order bearing reference number 'EAD-9/AO/SM/52-86/2019-20 dated August 02, 2019', for violation of the provisions of Regulations 3 (a), (b), (c), and (d) of the SEBI (PFUTP) Regulations. Securities Appellate Tribunal has reverted to SEBI the said order for its review and in pursuance of restoration of the said case the Adjudication Officer vide Adjudication Order Number 'Order/BM/UR/2021-22/15253-15267' dated February 28, 2022, levied an individual penalty of ₹2.00 Lakhs (Rupees Two Lakhs Only) on our Individual Promoter, Girraj Kishor Agrawal, and Tanu Girraj Agarwal, aggregating to a penalty amount of ₹4.00 Lakhs (Rupees Four Lakhs Only), which were subsequently been paid-off by the said Individual Promoters.

However, we cannot assure you that no other legal proceedings shall arise in the future and be decided in favour of our Company, or that no further liability will arise out of the said future proceedings. We may incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

For further details, please refer to section titled ***'Outstanding Litigations, Defaults and Material Developments'*** beginning on page 123 of this Letter of Offer.

2. There are certain tax litigations outstanding against our Company.

As on the date of this Letter of Offer, our Company is involved in certain tax litigations. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and/or severally from us and/or other parties. As on date of this Letter of Offer, an amount of ₹2093.40 Lakhs (Rupees Twenty Lakhs Ninety- Three Lakhs Thirty Nine Thousand Nine Hundred and Twenty Four Only) is the ascertainable amount for the tax liabilities. We cannot assure you that these legal proceedings will be decided in favour of our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

For further details, please refer to section titled ***'Outstanding Litigations, Defaults and Material Developments'*** beginning on page 123 of this Letter of Offer.

3. The authorized share capital of the Company was erroneously updated as 5,33,00,000 (Fifty Crores Thirty-Three Lakhs) Equity Shares amounting to ₹5,330.00 Lakhs (Rupees Fifty-Three Crores Thirty Lakhs Only) whereas the actual authorized 5,13,00,000 (Fifty Crores Thirteen Lakhs) Equity Shares amounting to ₹5,130.00 Lakhs (Rupees Fifty-One Crores Thirty Lakhs Only).

Our Company had wrongly updated the authorized share capital of the Company as 5,33,00,000 (Fifty Crores Thirty-Three Lakhs) Equity Shares amounting to ₹5,330.00 Lakhs (Rupees Fifty-Three Crores Thirty Lakhs Only) whilst filing e-forms with the Registrar of Companies, however, the actual authorized is 5,13,00,000 (Fifty Crores Thirteen Lakhs) Equity Shares amounting to ₹5,130 Lakhs (Rupees Fifty-One Crores Thirty Lakhs Only), as specified in the Audited Financial Statements of the Company. As on date of this Letter of Offer, no notice has been issued by the relevant regulatory authority for the same. However, any penalty imposed for such non-compliance could affect our financial conditions to the extent of penalty imposed.

4. The novel coronavirus (Covid-19) pandemic outbreak and steps taken to control the same have significantly impacted our business, results of operations, financial condition, and cash flows and further impact will depend on future developments, which are highly uncertain.

The rapid and diffused spread of COVID-19 and global health concerns relating to this outbreak have had a severe negative impact on all businesses. The COVID-19 pandemic could continue to have an impact that may worsen for an unknown period. Currently, there is substantial medical uncertainty regarding COVID-19 and this pandemic may continue to cause unprecedented economic disruption in India and in the rest of the world. The scope, duration, and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. In case due to any consequent wave of Coronavirus, if long-term lockdown is imposed in the country or the state in which we perform of business, we may face losses and our business operations could be severely impacted.

5. The financing industry is becoming increasingly competitive, and our Company's growth and profitability will inter alia depend on its ability to compete effectively.

Our Company faces increasing competition from public and private sector Indian commercial banks, and from other financial institutions that provide financial products or services. Some of our Company's competitors have greater resources than our Company does. The competition our Company faces from banks is increasing as more banks are targeting products and services similar to ours. Competition in our industry depends on, among other things, the

ongoing evolution of government policies relating to the industry, the entry of new participants in the industry and the extent to which there is consolidation among banks and financial institutions in India.

As our Company enters new markets in the financial services industry, our Company is likely to face additional competition from entities who may be better capitalized, have longer operating histories, a greater retail and brand presence, and more experienced management. If our Company is unable to compete with these entities effectively in these new markets, its operations and/or profitability may be adversely affected.

6. 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.

Our business is dependent on interest income from the loans disbursed. Accordingly, we are affected by volatility in interest rates in our lending operations. Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, and other factors. Due to these factors, interest rates in India have historically experienced a relatively high degree of volatility.

7. 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.

Our Company mainly provides unsecured loans i.e., loans without any security. Hence, we run the risk of recovery by defaulters. Further, any deterioration in the quality of our borrowers in terms of their financial worth may also expose us to difficulties in timely recovery of interest and principal amount from such borrowers. In the event of such deterioration in our Company's asset portfolio, there could be an adverse impact on our business and our future financial performance. Further, any default in repayment by our borrowers, will result in losses to our Company. While we have been very selective and conservative in our lending policies and are generally satisfying ourselves with credit worthiness and repayment capacities of our borrowers, there can be no assurance that we will be able to timely recover the interest and / or principal of loans advanced by us.

8. Our Company has reported negative cash flow in the past. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

Our Company has experienced negative net cash flow from investing and operating activities in the recent past, the details of which are provided below:

Particulars	For the Financial Year ending 31 March		
	2022	2021	2020
Net Cash Flow from/(used in) Operating Activities	₹1,969.12	₹902.18	₹590.83
Net cash generated from/(used in) Investing activities	(₹557.79)	(₹1,534.46)	(₹349.91)
Net Cash Flow from/(used in) Financing Activities	(₹441.63)	₹34.39	₹43.78

For further details, please refer to the section titled ***'Financial Information'*** beginning on page 72 of this Draft Letter of Offer.

9. The Statutory Auditor of the Company has issued a qualification remark addressing the concern that, the Company does not have an appropriate internal control system.

As per the Consolidated Audited Financial Statements for the Financial Year ending March 31, 2021, the Statutory Auditor of the Company has issued a qualification remark on the internal control system of the Company; as per the observations drawn by the Statutory Auditor, it has been observed that:

a. The Company does not have an appropriate internal control system for granting of loans. Further, the demand and other loans given are governed by the Board policies.

b. No appraisal, renewal, policies, procedure, committee, or documents have been prescribed and executed.

c. The Company's internal control system is not commensurate to the size and scale of operation over purchase and sale of shares and inventory and for expenses incurred.

10. The Practising Company Secretary of the Company in their Secretarial Audit Report has issued a qualification remark in the Annual Report for the Financial Year ending March 31, 2021.

As per the audited financial statements for the Financial Year 2020-2021, the Practising Company Secretary of the Company has issued qualifications remark on the following matters:

a. The Company has given loans and advances wherein no interest has been charged and, in some cases, wherein interest charged is less than prevailing yield government security for relevant tenure.

b. The Company has delayed submitted Intimation under Regulations 29(2)/29(3) read with Regulation 30 of SEBI (LODR) Regulations, notice of Board Meeting for approval of Un-Audited financial results for the Quarter Ended September 30, 2020.

c. The Company has delayed in appointed of Company Secretary as per the provision of Section 203 of Companies Act, 2013.

11. As an NBFC, we must adhere to several regulatory norms prescribed by RBI from time to time. Further, as the Equity Shares of our Company are listed on BSE Limited, our Company is subject to certain obligations and reporting requirements under the SEBI (LODR) Regulations and comply with other SEBI regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us liable to prosecution and/or penalties.

NBFCs in India are subject to strict regulation and supervision by the RBI. We require certain approvals, licenses, registrations, and permissions for operating our business. Such approvals, licenses, registrations, and permissions must be maintained / renewed over time, and we may have to comply with certain conditions in relation to these approvals. Moreover, the applicable requirements may change, and we may not be aware of or may comply with all requirements all the time. We are required to obtain and maintain a certificate of registration for carrying on business as an NBFC. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, our business may be adversely affected. RBI has the authority to change these norms/ criteria as and when required. Inability to meet the prescribed norms/ criteria, can adversely affect the operations and profitability of our Company.

Further, as the Equity Shares of our Company are listed on BSE Limited, therefore we are subject to the obligations and reporting requirements prescribed under the SEBI (LODR) Regulations, to the extent applicable, and must adhere to and comply with other applicable Regulations framed by SEBI. Our Company endeavours to comply with all such obligations and reporting requirements, any non-compliance which might have been committed by us, may result into BSE Limited and/or SEBI imposing penalties, issuing warnings and show cause notices against us and/or taking actions as provided under the SEBI Act and the rules and regulations made there under and applicable SEBI Circulars. Any such adverse regulatory action or development could affect our business reputation, divert management attention, and result in a material adverse effect on our business prospects and financial performance and on the trading price of the Equity Shares.

12. We have, in the past, entered related party transactions and may continue to do so in the future.

The Company has entered and continue to enter transactions with certain of its related parties. For further details, please refer to the section titled ***'Financial Information'*** beginning on page 72 of this Draft Letter of Offer. Whilst we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties.

13. Our success depends upon our management team and skilled personnel and our ability to attract and retain such persons.

Our future performance will be affected by the continued service of our management team and skilled personnel. We face a continuing challenge to recruit and retain enough suitably skilled personnel, particularly as we continue to grow. There is significant competition for management and other skilled personnel in the various segments of the financial

services industry in which we operate, and it may be difficult to attract and retain the personnel we need in the future. The loss of key personnel may have a material and adverse effect on our business, future financial performance, results of operations and ability to grow in line with our strategy and future.

14. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees and agents may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations, and goodwill could be adversely affected.

15. Our insurance policies do not cover all risks, specifically risks like terrorism, etc. In the event of the occurrence of such events, our insurance coverage may not adequately protect us against possible risk of loss.

Our Company has obtained insurance coverage in respect of certain risks. Our significant insurance policies consist of, among others, standard fire and special perils, fidelity guarantee, plate glass insurance, etc. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like terrorism, etc. There can be no assurance that our insurance policies will be adequate to cover the losses in respect of which the insurance has been availed. If we suffer a significant uninsured loss or if insurance claim in respect of the subject-matter of insurance is not accepted or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected.

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

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

17. We require number of approvals, NOCs, licenses in ordinary course of our Business.

We need to apply for renewal of approvals which expire, from time to time, as and when required in the ordinary course of our business. Any failure to renew the approvals that will expire, or to failure/delay to apply for and obtain the required approvals, licences, registrations or permits, or any suspension or revocation of any of the approvals, licences, registrations and permits that have been or may be issued to us, could result in delaying the operations of our business, which may adversely affect our business, financial condition, results of operations and prospects.

We cannot assure you that the approvals, licences, registrations, and permits issued to us would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action.

Our failure to comply with existing or increased regulations, or the introduction of changes to existing regulations, could adversely affect our business, financial condition, results of operations and prospects.

18. The deployment of funds is entirely at our discretion and as per the details mentioned in the chapter titled 'Objects of the Issue'.

As the Issue size is not more than ₹10,000 lakhs, under Regulation 82 of the SEBI (ICDR) Regulations it is not required that a monitoring agency be appointed by our Company, for overseeing the deployment and utilisation of funds raised through this Issue. Therefore, the deployment of the funds towards the Objects of this Issue is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. Our Board of Directors along with the Audit Committee will monitor the utilisation of Issue proceeds and shall have the flexibility in applying the proceeds of this Issue. However, the management of our Company shall not have the power to alter the objects of this Issue except with the approval of the shareholders of the Company given by way of a special resolution in a general meeting, in the manner specified in Section 27 of the Companies Act. Additionally, the dissenting shareholders being those shareholders who have not agreed to the proposal to vary the objects of this Issue, our Promoters shall provide them with an opportunity to exit at such price, and in such manner and conditions as may be specified by the SEBI, in respect to the same. For further details, please refer to the section titled ***'Objects of the Issue'*** on page 49 of this Letter of Offer.

19. The substantial Net Proceeds of the Issue shall be deployed towards augmentation of funding requirements of one of our Associate, Tilak Ventures Limited ('TVL') engaged.

As on the date of Letter of Offer, our Company holds 6,61,00,000 (Six Crores Sixty-One Lakhs) partly paid-up equity shares representing 68.59% (Sixty-Eight point Five Nine Percent) of the voting share capital of Tilak Ventures Limited and has paid an application amount of ₹1,652.50 Lakhs (Rupees Sixteen Crores Fifty-Two Lakhs and Fifty Thousand Only) from internal sources for subscribing to their rights issue. The balance amount of ₹1,652.50 Lakhs (Rupees Sixteen Crores Fifty-Two Lakhs and Fifty Thousand Only) shall be called by the board of the TVL subject to suitable market conditions and discretionary power of the Board. Out of the Net Proceeds, we intend to raise an amount of ₹1,652.50 Lakhs (Rupees Sixteen Crores Fifty-Two Lakhs and Fifty Thousand Only) for funding our associate company through the Proceeds of Rights Shares, subject to assuming full subscription in the said Issue.

If in the event, our Company fails to achieve full subscription in the Issue, our Company may have to resort to additional fund-raising options in compliance with the provisions of applicable laws. Due to this fund-raising activity, in the form of securities or debt borrowings there might be dilution of stake of the Promoters and members of the Promoter Group of our Company, or it might affect the financial operations of our Company.

Further, if we are unable to arrange adequate financing on a timely basis, it could adversely affect our ability to complete investment plans. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations, and the regulatory framework that allows us to raise capital. If we decide to meet our capital requirements through debt financing, we may be subject to certain restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

20. We have not commissioned an industry report for the disclosures made in the section titled 'Industry Overview' and made disclosures based on the data available on the internet and such third-party data has not been independently verified by us.

We have neither commissioned an industry report, nor sought consent from the quoted website source for the disclosures which need to be made in the section titled ***'Industry Overview'*** beginning on page 58 of this Letter of Offer. We have made disclosures in the said section based on the relevant industry related data available online for which relevant consents have not been obtained. We have not independently verified such third-party data. We cannot assure you that any assumptions made are correct or will not change and, accordingly, our position in the market may differ from that presented in this Letter of Offer. Further, the industry data mentioned in this Letter of Offer or sources from which the data has been collected are not recommendations to invest in our Company. Accordingly, investors should read the industry related disclosure in this Letter of Offer in this context.

ISSUE SPECIFIC FACTORS

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

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

22. SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, and January 19, 2021, streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars, and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI circulars dated January 22, 2020, May 6, 2020, and January 19, 2021, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For further details, please refer to the section titled ***'Terms of the Issue'*** beginning on page 143 of this 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 Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, PSIPL Banas Finance Limited-Unclaimed Suspense Account With R R S Shares & Stock Brokers Private Limited) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the 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) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

23. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for dilution of your percentage ownership of the equity share capital of our Company that may be caused because of the Issue. Renouncees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

24. SEBI has recently, by way of Rights Issue Circulars streamlined the process of rights issues. You should follow the instructions carefully, as stated in such SEBI circulars and in this Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see ***'Terms of the Issue'*** on page 143 of this 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 Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely being PSIPL Banas Finance Limited-Unclaimed Suspense Account With R R S Shares & Stock Brokers Private Limited) opened by our Company, for the Eligible ` Shareholders which would comprise Rights Entitlements relating to:

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

25. Any future issuance of Equity Shares, or convertible securities or other equity-linked securities by our Company may dilute your shareholding and any sale of Equity Shares by our Promoter or members of our Promoter Group may adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares, convertible securities or securities linked to the Equity Shares by our Company may dilute your shareholding in our Company; adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. We cannot assure you that we will not issue additional Equity Shares. The disposal of Equity Shares by any of our Promoter and Promoter Group, or the perception that such sales may occur may significantly affect the trading price of the Equity Shares. We cannot assure you that our Promoter and Promoter Group will not dispose of, pledge, or encumber their Equity Shares in the future.

26. Investors shall not have the option to receive Right Shares in physical form.

In accordance with the provisions of Regulation 77A of the SEBI (ICDR) Regulations read with SEBI Rights Issue Circular, the credit of Rights Entitlement and Allotment of Right Shares shall be made in dematerialised form only. Investors will not have the option of getting the allotment of Equity Shares in physical form.

27. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ('Physical Shareholder') may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIRIP/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow de-mat account opened by our

Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their de-mat account to the Registrar not later than Friday, July 15, 2022, being 2 (Two) Working Days prior to the Issue Closing Date being Tuesday, July 19, 2022, to enable the credit of their Rights Entitlements in their de-mat accounts on Monday, July 18, 2022, being at least 1 (One) day before the being Tuesday, July 19, 2022. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018, issued by the SEBI, with effect from April 01, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares). For further details, please refer to the section titled ***'Terms of the Issue'*** on page 143 of this Letter of Offer.

28. You may be subject to Indian taxes arising out of capital gains on the sale of the Right Shares and Rights Entitlement.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian Company are generally taxable in India. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

Further, the Finance Act, 2019, which has been notified with effect from April 01, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, and the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. These amendments have been notified on December 10, 2019 and have come into effect from July 01, 2020.

The Finance Act, 2020 has also provided several amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax will not be payable in respect of dividends declared, distributed, or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident.

29. You may not receive the Equity Shares that you subscribe in the Issue until 15 (Fifteen) days after the date on which this Issue closes, which will subject you to market risk.

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 (Fifteen) days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

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

Under the Companies Act, any Company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make

such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

31. There is no guarantee that our Equity Shares will be listed in a timely manner or at all which may adversely affect the trading price of our Equity Shares.

In accordance with applicable laws and regulations and the requirements of the BSE Limited, in principle and final approvals for listing and trading of the Right Shares issued pursuant to this Issue will not be applied for or granted until after the Right Shares have been issued and allotted. Approval for listing and trading will require all the relevant documents authorising the issuance of Right Shares to be submitted. Accordingly, there could be a delay in listing the Right Shares on the NSE. If there is a delay in obtaining such approvals, we may not be able to credit the Right Shares allotted to the Investors to their depository participant accounts or assure ownership of such Right Shares by the Investors in any manner promptly after the Issue Closing Date. In any such event, the ownership of the Investors over Right Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted. For further information on issue procedure, please refer to the section titled ***'Terms of the Issue'*** beginning on page 143 of this Letter of Offer.

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

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

33. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a Company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian Company than as shareholder of a corporation in another jurisdiction.

EXTERNAL RISK FACTORS

34. Global economic, political, and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude.

35. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which

such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms or at all.

36. The occurrence of natural calamities or man-made disasters could have a negative effect on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods, drought, fires, explosions, tornadoes, pandemic disease and man-made disasters including acts of terrorism and military actions in the past few years. The extent and severity of these natural and man-made disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

37. The impact of the COVID-19 pandemic on our business and operations is uncertain and cannot be predicted.

The impact of the pandemic on our business, operations and future financial performance includes, but are not limited to:

- ***Operations and business continuity****:* Pursuant to the lockdown, we temporarily closed our office. With the easing of the lockdown, we have gradually resumed business operations, following hygiene checks and sanitization. However, a surge in the number of COVID-19 cases in the future could result in a complete or partial closure of, or other operational issues at our offices resulting from government action.

- ***Collections****:* The lockdown resulted in an inability to physically collect from the retail customers on-field due to several restricted activities. Further, our collections were affected owing to the restrictions on gathering of more than certain number of people specifically in relation to micro loans where collections are undertaken through a meeting. Since the gradual relaxations in the lockdown, we have recommenced our collection efforts and increased our workforce dedicated to collection efforts. However, such efforts could be adversely affected in case there is a surge in COVID-19 cases.

- ***Net interest income and Fee income****:* With the slowdown in disbursement and maintenance of additional liquidity, there was a substantial drop in fee income and net interest income in the first quarter of Financial Year 2021. The fees earned by way of processing fees; cross-selling could be further impacted due to slower economic activity on account of the pandemic.

- ***Non-payment or defaults by customers****:* Due to economic slowdown caused by the COVID-19, there could be delays and defaults associated with repayment of advance from customers which may adversely affect our cash flows.

- ***Security****:* There was an increased vulnerability to cyber-security threats and potential breaches, including phishing attacks, malware, and impersonation tactics, resulting from the increase in numbers of individuals working from home.

- ***Productivity****:* Inherent productivity, connectivity, and oversight challenges due to an increase in number of individuals working from home may affect our business and results of operations.

The impact of the COVID-19 pandemic on our business will depend on a range of factors which we are not able to accurately predict, including the duration, severity and scope of the pandemic, the geographies impacted, the impact of the pandemic on economic activity in India, and the nature and severity of measures adopted by governments. Other factors include but are not limited to significant volatility in financial markets and measures adopted by governments and central banks.

38. A slowdown in economic growth in India could cause our business to suffer.

We are incorporated in India, and all our assets and employees are in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. A slowdown in the Indian economy could adversely affect our business, including our ability to grow our assets, the quality of our assets, and our ability to implement our strategy.

Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation.
- Any scarcity of credit or other financing in India.
- Prevailing income conditions among Indian consumers and Indian corporations.
- Changes in India's tax, trade, fiscal or monetary policies.
- Political instability, terrorism, or military conflict in India or in countries in the region or globally, including in
- India's various neighbouring countries.
- Prevailing regional or global economic conditions; and
- Other significant regulatory or economic developments in or affecting India.

Any slowdown in the Indian economy or in the growth of the sectors we participate in or future volatility in global commodity prices could adversely affect our borrowers and contractual counterparties. This in turn could adversely affect our business and financial performance and the price of our Equity Shares.

39. Financial instability in both Indian and international financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of companies in other countries. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian economy in general. Any global financial instability, including further deterioration of credit conditions in the U.S. market, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

The Indian economy is also influenced by economic and market conditions in other countries. This includes, but is not limited to, the conditions in the United States, Europe, and certain economies in Asia. Financial turmoil in Asia and elsewhere in the world in recent years has affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and directly or indirectly, adversely affect the Indian economy and financial sector and its business.

Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby impact the Indian economy. Financial disruptions in the future could adversely affect our business, prospects, financial condition, and results of operations. The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections.

There are concerns that a tightening of monetary policy in emerging markets and some developed markets will lead to a moderation in global growth. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. However, the overall long-term impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have had the intended stabilizing effects. Any significant financial disruption in the future could have an adverse effect on our cost of funding, loan portfolio, business, future financial performance, and the trading price of the Equity Shares.

40. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of salaries, and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and the same may adversely affect our business and financial condition. We might not be able to reduce our costs or increase our rates to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

41. Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.

As an Indian Company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under FEMA. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business growth, results of operations and financial condition.

Further, under the foreign exchange regulations currently in force in India, transfers of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI, or any other government agency can be obtained on any terms or at all.

42. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects, and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax (hereinafter referred to as 'GST') regime with effect from July 1, 2017, that combined multiple taxes and levies by the Central and State Governments into a unified tax structure.

Our business and financial performance could be adversely affected by any unexpected or onerous requirements or regulations resulting from the introduction of GST or any changes in laws or interpretation of existing laws, or the promulgation of new laws, rules and regulations relating to GST, as it is implemented. The Government has enacted the GAAR which have come into effect from April 1, 2017.

The Government of India has announced the union budget for Fiscal 2021 and the Ministry of Finance has notified the Finance Act, 2020 (hereinafter referred to as **'Finance Act'**) on March 27, 2020, pursuant to assent received from the President, and the Finance Act will come into operation with effect from July 1, 2020 There is no certainty on the impact that the Finance Act may have on our business and operations or on the industry in which we operate. We cannot predict whether any amendments made pursuant to the Finance Act would have a material adverse effect on our business, financial condition, and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to

apply for additional approvals. For instance, the Supreme Court of India has, in a decision clarified the components of basic wages, which need to be considered by companies while making provident fund payments. Our Company has not made relevant provisions for the same, as on date. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Further, a draft of the Personal Data Protection Bill, 2019 (hereinafter referred to as **'Bill'**) has been introduced before the Lok Sabha on December 11, 2019, which is currently being referred to a joint parliamentary committee by the Parliament. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

Uncertainty in the applicability, interpretation, or implementation of any amendment to, or change in, governing law, regulation, or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

43. We are subject to regulatory, economic, social, and political uncertainties and other factors beyond our control.

We are incorporated in India, and we conduct our corporate affairs and our business in India. Consequently, our business, operations, financial performance will be affected by interest rates, government policies, taxation, social and ethnic instability, and other political and economic developments affecting India.

THE ISSUE

This Issue was authorised vide Board resolution dated Friday, December 24, 2021, in pursuance of Section 62 of the Companies Act, 2013.

The draft letter of offer was approved and filed by the Board on Tuesday, January 11, 2022, with BSE Limited. However, the said draft letter of offer had been withdrawn by our Company and Board vide Board resolution dated Wednesday, April 27, 2022, in pursuance of which this revised Draft Letter of Offer had been filed with BSE Limited.

The following is a summary of the Issue, which should be read in conjunction with, and is qualified in its entirety by, more detailed information in ***'Terms of the Issue'*** on page 143 of this Letter of Offer.

Equity Shares outstanding prior to the Issue	2,56,48,730 (Two Crores Fifty-Six Lakhs Forty-Eight Thousand Seven Hundred and Thirty) Equity Shares;
Right Shares proposed to be Issued in this Issue	2,46,22,781 (Two Crores Forty-Six Lakhs Twenty-Two Thousand Seven Hundred and Eighty-One) Right Shares; *
Rights Entitlement	24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e., Friday, June 24, 2022;
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each.
Issue Price per Equity Share	₹20.00/- (Rupees Twenty Only) per Right Share (including a premium of ₹10.00/- (Rupees Ten Only) per Right Share);
Issue Size	₹4,924.56 Lakhs (Forty-Nine Crores Twenty-Four Lakhs Fifty-Five Thousand Six Hundred and Twenty Only) (Assuming full subscription);
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	5,02,71,511 (Five Crores Two Lakhs Seventy-One Thousand Five Hundred and Eleven) Equity Shares;
Fractional Entitlement	For Equity Shares being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 25 (Twenty-Five) Equity Shares or is not in multiples of 25 (Twenty-Five) Equity Shares, the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any:
Voting Rights and Dividend	The Right Shares issued pursuant to this Issue shall rank pari pasu in all respects with the Equity Shares of our Company.
Terms of the Issue	Please refer to the section titled ***'Terms of the Issue'*** beginning on page 143 of this Letter of Offer;
Use of Issue Proceeds	Please refer to the section titled ***'Objects of the Issue'*** beginning on page 49 of this Letter of Offer;
Security Code/ Scrip Details	ISIN: INE521L01030; BSE Scrip Code: 509053; BSE Scrip ID: BANASFN; ISIN for Rights Entitlements: INE521L20014

ISSUE SCHEDULE

Issue Opening Date	Tuesday, July 05, 2022
Last date for On Market Renunciation of Rights Shares	Thursday, July 14, 2022
Issue Closing Date	Tuesday, July 19, 2022

GENERAL INFORMATION

Our Company was incorporated on June 06, 1983, as a public limited company, in the name and style 'Pioneer Leasing Company Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Bombay, Maharashtra, India. Further, the name of our Company was changed to from 'Pioneer Leasing Company Limited' to 'Banas Finance Limited' and a Certificate of Incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra, India on August 28, 1986. Further, our Company was granted certificate of registration from Reserve Bank of India to carry on the business of non-banking financial institution without accepting public deposits vide certificate dated January 21, 1999.

REGISTERED OFFICE OF OUR COMPANY

Company	Banas Finance Limited
Registered Office Address	E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai – 400053, Maharashtra, India
Contact Number	+91-9152096140
Email-ID	banasfin@gmail.com
Website	www.banasfinance.wordpress.com
Corporate Identification Number	L65910MH1983PLC030142
Registration Number	030142
RBI Registration Number	13.01152
BSE Scrip ID	BANASFN
BSE Scrip Code	INE521L01030

ADDRESS OF THE REGISTRAR OF COMPANIES

The Registrar of Companies, Mumbai

100, Everest, Marine Drive, Mumbai - 400002, Maharashtra, India

BOARD OF DIRECTORS

Name	Designation	DIN	Address
Amit Gulecha	Executive Director – Managing Director	06964404	A//104, Pramukh Heights Co-operative Housing Society Limited, 48 Amboli Hills, Veera Road, Andheri West, Mumbai – 400058, Maharashtra, India.
Girraj Kishor Agrawal	Executive Director	00290959	3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri West, Mumbai – 400053, Maharashtra, India
Tanu Girraj Agarwal	Non-Executive – Non-Independent Director	00290966	3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri West, Mumbai – 400053, Maharashtra, India
Chirag Goyal	Non-Executive – Independent Director	09013570	201, Vaibhav Apartments, Adarsh Colony, Sumerpur, Pali – 306902, Rajasthan, India
Vikash Kulhriya	Non-Executive – Independent Director	09014921	Ward No. 12, Loharwara, Lorwara, Sikar – 332708, Rajasthan, India
Pratham Jethliya	Non-Executive – Independent Director	09600191	3-Kabir Colony, Behind Royal Enfield Showroom, Chittaurgarh, Rajashthan, India

For further details of our Board of Directors, please refer to the section titled ***'Our Management'*** beginning on page 68 of this Letter of Offer.

Company Secretary and Compliance Officer	Chief Financial Officer
Prajna Prakash Naik **Address**: E-109, Crystal Plaza, New Link Road, Andheri West, Mumbai – 400053, Maharashtra. India **Contact Number:** +91-915209641 **Email-ID:** banasfin@gmail.com	**Nemichand Saini** **Address**: E-109, Crystal Plaza, New Link Road, Andheri West, Mumbai – 400053, Maharashtra. India **Contact Number:** +91-915209641; **Email-ID:** banasfin@gmail.com
Statutory Auditors	**Internal Auditor**
M/s. Pravin Chandak & Associates **Address:** 403, New Swapanalok Co-operative Housing Society Limited, Natakwala Lane, Borivali (West), Mumbai – 400092, Maharashtra, India; **Firm Registration Number:** 116627W; **Contact Person:** Nishant Sampat; **Membership Number:** 134410; **Website:** www.pravinca.com; **E-mail ID:** info@pravinca.com; **Contact Number:** +91-0228016119;	**M/s Ravi Toshniwal** **Address:** C-602, Spring Leaf 12 Building, Lokhandwala, Kandivali East, Mumbai – 400101, Maharashtra, India; **Contact Number:** 9326183312; **E-mail ID**: ravitoshniwal20@gmail.com
Lead Manager to the Issue	**Registrar to the Issue/ Registrar and Share Transfer Agent**
CapitalSquare Advisors Private Limited 208, 2nd Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai – 400093, Maharashtra, India; **Contact Number:** +91-22-66849999/ 9874283532; **Website:** www.capitalsquare.in; **Email Address/ Investor Grievance E-Mail Address:** tanmoy.banerjee@capitalsquare.in/ pankita.patel@capitalsquare.in; **Contact Person:** Mr. Tanmoy Banerjee/ Ms. Pankita Patel; **SEBI Registration No:** INM000012219; **Validity:** Permanent;	**Purva Sharegistry (India) Private Limited** Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India; **Contact Number:** 91-91-22-23010771 /022-49614132; **Website:** www.purvashare.com; **Email Address/ Investor Grievance E-Mail Address:** support@purvashare.com; **Contact Person:** Ms. Deepali Dhuri; **SEBI Registration Number:** INR000001112; **Validity:** Permanent;
Legal Advisor to the Issue	**Banker to our Company**
Juris NextGen LLP **Address:** LGF, E-56, Greater Kailash Enclave Part -1, New Delhi – 110048, India **Contact Number:** 011-42662177 **Email ID:** office@jurisnextgen.com **Contact Person:** Rajesh Sharma	**RBL Bank Limited** **Address:** Plot No. B-12, Ground Floor, Ghanshyam Chamber, New Link Road, Opposite Citi Mall, Andheri West, Mumbai – 400053, Maharashtra, India **Contact Person:** Richa Shukla **E-mail ID:** richa.shukla2rblbank.com **Contact Number:** 022-4233 9506 **Website:** www.rblbank.com
Banker to the Issue	
IndusInd Bank Limited **Address:** PNA House 4th Floor, Plot Number 57 and 57/1, Street number 17, near SRL Diagnostic Centre, MIDC Andheri (East), Mumbai – 400093, Maharashtra, India **Contact Person:** Kaushik Chatterjee **E-mail ID:** chatterjee.kaushik@indusind.com **Contact Number:** 022-61069318 **Website:** www.indusind.com **SEBI Registration Number:** INBI00000002	

STATEMENT OF RESPONSIBILITIES

CapitalSquare Advisors Private Limited, being the sole Lead Manager will be responsible for all the responsibilities related to co-ordination and other activities in relation to the Issue. Hence, a statement of inter se allocation of responsibilities is not required.

CONTACT PERSON FOR GRIEVANCES RELATING TO ISSUE RELATED MATTER

Investors may contact the Company Secretary and Compliance Officer for any pre-Issue/ post-Issue related matters such as non-receipt of Letters of Allotment/ share certificates/ demat credit/ Refund Orders, etc.

Investors may contact the Registrar or the Company Secretary and Compliance Officer of our Company for any pre-Issue or post-Issue related matter such as non-receipt of Issue Materials. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs, giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number, and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ***'Terms of the Issue'*** beginning on page 143 of this Letter of Offer.

CHANGES IN AUDITORS DURING THE PERIOD OF 3 (THREE) YEARS PRECEDING THE DATE OF THIS LETTER OF OFFER

There has been no change in the statutory auditors of our Company during the 3 (Three) years immediately preceding the date of this Letter of Offer.

EXPERT

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

Our Company has received a written consent from our Statutory Auditors, M/s. Pravin Chandak & Associates, Chartered Accountants, to include their name in this Letter of Offer and as an 'expert', as defined under Section 2 (38) of the Companies Act, 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of the Audited Financial Statements and the statement of special tax benefits dated Thursday, January 06, 2022, included in this Letter of Offer, and such consent has not been withdrawn as of the date of this Letter of Offer.

SELF-CERTIFIED SYNDICATE BANKS

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.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	Monday, July 04, 2022
Issue Opening Date	Tuesday, July 05, 2022
Last Date for On Market Renunciation of Rights Entitlements#	Thursday, July 14, 2022
Issue Closing Date*	Tuesday, July 19, 2022
Finalization of Basis of Allotment (on or about)	Wednesday, July 27, 2022
Date of Allotment (on or about)	Thursday, July 28, 2022

Date of credit (on or about)	Monday, August 01, 2022
Date of listing (on or about)	Tuesday, August 02, 2022

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

**Our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 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.*

The above schedule is indicative and does not constitute any obligation on our Company.

Please note that if Eligible Shareholders holding Equity Shares who have not provided the details of their demat accounts to our Company or to the Registrar to the Issue, they are required to provide their demat account details to our Company or the Registrar to the Offer not later than not later than Friday, July 15, 2022, being 2 (Two) Working Days prior to the Issue Closing Date being Tuesday, July 19, 2022, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts on Monday, July 18, 2022, being at least 1 (One) day before the being Tuesday, July 19, 2022.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the Applications are submitted well in advance before the Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, please refer to the section titled ***'Terms of the Issue'*** beginning on page 143 of this Letter of Offer.

The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar to the Issue at https://www.purvashare.com/rights-issue/input-form.php after keying in their respective details along with other security control measures implemented there at. For further details, please refer to the paragraph titled see 'Credit of Rights Entitlements in demat accounts of Eligible Shareholders' under the section titled 'Terms of the Issue' beginning on page 143 of this Letter of Offer.

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

CREDIT RATING

As this proposed Issue is of Right Shares, the appointment of a credit rating agency is not required.

DEBENTURE TRUSTEE

As this proposed Issue is of Right Shares, the appointment of debenture trustee is not required.

MONITORING AGENCY

Since the Issue size does not exceed ₹10,000 Lakhs, there is no requirement to appoint a monitoring agency in relation to the Issue under SEBI (ICDR) Regulation.

APPRAISING ENTITY

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any banks or financial institution or any other independent agency.

UNDERWRITING

This Issue is not underwritten, and our Company has not entered any underwriting arrangement.

FILING

SEBI vide the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020 has amended Regulation 3(b) of the SEBI (ICDR) Regulations as per which the threshold of filing of Letter of Offer with SEBI for rights issues has been increased. The threshold of the rights issue size under Regulation 3 (b) of the SEBI (ICDR) Regulations has been increased from ₹1,000.00 Lakhs (Rupees Ten Crores Only) to ₹5,000.00 Lakhs (Rupees Fifty Crores Only). Since the size of this Issue falls below this threshold, the Letter of Offer has been filed with BSE Limited and not with SEBI. However, a copy of the Letter of Offer shall be submitted with SEBI for information and dissemination and will be filed with the BSE Limited.

MINIMUM SUBSCRIPTION

Pursuant to the SEBI (ICDR) Regulations, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

1. Object of the Issue being other than capital expenditure for a project; and

2. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement and will not renounce rights except to the extent of renunciation within the promoter group.

CAPITAL STRUCTURE

The capital structure of our Company and related information as on date of this Letter of Offer, prior to and after the proposed Issue, is set forth below:

(₹ in Lakhs except share data)

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
5,13,00,000 (Five Crores Thirteen Lakhs) Equity Shares*	₹5,130.00	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
2,56,48,730 (Two Crores Fifty-Six Lakhs Forty-Eight Thousand Seven Hundred and Thirty) Equity Shares	₹2,564.87	-
Present Issue in terms of this Letter of Offer[(a) (b)]		
2,46,22,781 (Two Crores Forty-Six Lakhs Twenty-Two Thousand Seven Hundred and Eighty-One) Right Shares, each at an Issue Price of ₹20.00/- (Rupees Twenty Only) per Right Share (including a premium of ₹10.00/- (Rupees Ten Only) per Right Share)	₹2,462.28	₹4,924.56
Issued, Subscribed and paid-up Equity Share capital after the Issue ***(Assuming full acceptance of this Issue)***		
5,02,71,511 (Five Crores Two Lakhs Seventy-One Thousand Five Hundred and Eleven) Equity Shares	₹5027.15	-
Securities premium account		
Before the Issue	₹5,241.32	
After the Issue[(c)]	₹7,703.60	

(a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Friday, December 24, 2021, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act;

(b) The Draft Letter of Offer had approved and filed by the Board on Tuesday, January 11, 2022, with BSE Limited. However, the said had been withdrawn by the Company and Board of Directors vide Board resolution dated Wednesday, April 27, 2022, had filed the revised Draft Letter of Offer with BSE Limited. Further, the Board of Directors vide Board resolution dated Monday, June 20, 2022, approved the Rights Issue Price, Record Date, and other terms and conditions for the purpose of this Rights Issue.

(c) Assuming full subscription to the Right Entitlements and for Allotment of Right Shares;

(d) Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses;

NOTES TO THE CAPITAL STRUCTURE

1. The Equity Shares of our Company are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Letter of Offer.

2. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

3. As on the date of this Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights.

4. The ex-rights price arrived in accordance with the formula prescribed Regulation 10 (4) (b) of the SEBI (SAST) Regulations, in connection with the Issue is ₹31.53/- (Thirty-One Rupees and Fifty-Three Paise Only).

5. **Details of outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares**

As on the date of this Letter of Offer, our Company does not have any outstanding warrants, outstanding instruments with an option to convert or securities which are convertible later into Equity Shares.

6. **Details of stock option scheme of our Company**

As on the date of this Letter of Offer, our Company does not have a stock option scheme.

7. **Details of Equity Shares held by the promoter and promoter group including the details of lock-in, pledge of and encumbrance on such Equity Shares**

As on the date of this Letter of Offer, none of the Equity Shares held by the members of the Promoter and Promoter Group of the Company are locked-in, pledged and encumbered.

8. **Details of Equity Shares acquired by the promoter and promoter group in the last one year prior to the filing of this Letter of Offer**

Except as disclosed below, no Equity Shares have been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

Name of the Promoter	Details of Acquisition			Post Transaction Holding	
	Date of Transaction	Number of Equity Shares	Percentage of Equity shares acquired	Number of Equity Shares Post Transaction	Percentage of Equity shares post transaction
Handful Investrade Private Limited	March 26, 2021	7,80,000	3.04%	29,63,185	11.55%

9. **Intention and participation by the promoter and promoter group**

The Promoters and members of Promoter Group of our Company, through their letters dated Wednesday, January 05, 2022, have confirmed that they intend to subscribe in part or to full extent of their Right Entitlements in this Issue and to the extent of unsubscribed portion (if any) of this Issue and that they shall not renounce their Right Entitlements except within the Promoter Group, in accordance with the provisions of Regulation 86 of the SEBI (ICDR) Regulations.

Our Promoter and certain members of our Promoter Group have also confirmed that they intend to apply for and subscribe to additional Right Shares and any Equity Shares offered in the Issue that remain unsubscribed, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI (LODR) Regulations.

Further, the Promoter may also apply for additional Equity Shares along with their Rights Entitlement and/or renunciation. Such subscriptions of Equity Shares over and above its Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above its 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 (SAST) Regulations and shall be exempted subject to fulfillment of the conditions of Regulation 10 of the SEBI (SAST) Regulations. The Promoters acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after this Issue does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of SEBI (LODR) Regulations.

No person connected with this Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Investor for making an application in this Issue, except for fees or commission for services rendered in relation to the Issue.

10. **Shareholding Pattern of our Company**

The shareholding pattern of our Company as on March 31, 2022, is as follows

a) Summary statement holding of specified securities

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
(A) Promoter & Promoter Group	4	34,01,517	34,01,517	13.26	34,01,517	13.26	34,01,517
(B) Public	45,454	2,22,47,213	2,22,47,213	86.74	2,22,47,213	86.74	2,13,35,779
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non-Promoter-Non-Public	-	-	-	-	-	-	-
Grand Total	**45,458**	**2,56,48,730**	**2,56,48,730**	**100.00**	**2,56,48,730**	**100.00**	**2,47,37,296**

b) Statement showing shareholding pattern of the Promoter and Promoter Group

Category of shareholder	No. of shareholders	No. of fully paid-up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of equity shares held in dematerialized form
A1) Indian					
Individuals/Hindu undivided Family	**2**	**54,965**	**54,965**	**0.21**	**54,965**
Girraj Kishor Agrawal	1	50,965	50,965	0.20	50,965
Tanu Girraj Agarwal	1	4,000	4,000	0.02	4,000
Handful Investrade Private Limited	**2**	**33,46,552**	**33,46,552**	**13.05**	**33,46,552**
Agarwal Bullion Limited	1	29,63,185	29,63,185	11.55	29,63,185
Sub Total A1	1	3,83,367	3,83,367	1.49	3,83,367
A2) Foreign	-	-	-	-	-
A=A1+A2	**4**	**34,01,517**	**34,01,517**	**13.26**	**34,01,517**

c) Statement showing shareholding pattern of the public shareholder

Category and name of shareholder	No. of shareholders	No. of fully paid-up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
B1) Institutions	0	0	-	0.00	0	0.00	-
Financial Institutions/ Banks	1	26,000	26,000	0.10	26,000	0.10	26,000
Sub Total B1	1	26,000	26,000	0.10	26,000	0.10	26,000
B2) Central Government/ State Government(s)/ President of India	0	0	-	0.00	-	0.00	-
Central Government/ State Government(s)/ President of India	1	50	50	0.00	50	0.0	50
Sub TotalB2	**1**	**50**	**50**	**0.00**	**50**	**0.0**	**50**
B3) Non-Institutions	0	0	0	0	0	0	0
Individual share capital upto ₹2 Lacs	44,739	1,02,77,748	1,02,77,748	40.07	1,02,77,748	40.07	99,83,230
Individual share capital in excess of ₹2 Lacs	**71**	**86,05,348**	**86,05,348**	**33.55**	**86,05,348**	**33.55**	**83,45,155**
Hemangini Vinitkumar Parikh	1	10,10,633	10,10,633	3.94	10,10,633	3.94	10,10,633
Mangesh Madhukar Dhotre	1	7,12,331	7,12,331	2.78	7,12,331	2.78	7,12,331
Kashiram Pundalik Kadam	1	4,96,936	4,96,936	1.94	4,96,936	1.94	4,96,936
Nidhi Pradeep Dhanuka	1	4,48,701	4,48,701	1.75	4,48,701	1.75	4,48,701
Himmat Vinodchandra Bhatt	1	4,44,214	4,44,214	1.73	4,44,214	1.73	4,44,214
Shweta Shyam Pedamkar	1	3,84,103	3,84,103	1.50	3,84,103	1.50	3,84,103
Hardik Natavarbhai Panchal	1	3,62,329	3,62,329	1.41	3,62,329	1.41	3,62,329
Ambalal Jhaverbhai Patel	1	3,26,408	3,26,408	1.27	3,26,408	1.27	3,26,408
Other (specify)	642	27,58,361	33,38,067	13.01	33,38,067	13.01	29,81,344
LLP	3	3,84,000	3,910	0.02	3,910	0.02	3,910
Bodies Corporate	186	1,36,539	27,58,361	10.75	27,58,361	10.75	24,03,952
Unisys Softwares and Holdings Industries Ltd.	1	1,02,099	3,84,000	1.50	3,84,000	1.50	3,84,000
Clearing Members	54	671	1,36,539	0.53	1,36,539	0.53	1,36,539
Non-Resident Indian (NRI)	98	3,36,487	1,02,099	0.40	1,02,099	0.40	99,785
Trusts	2	3,62,329	671	0.00	671	0.00	671
HUF	299	3,26,408	3,36,487	1.31	3,36,487	1.31	3,36,487

Sub Total B3	45,452	2,22,21,163	2,22,21,163	86.64	2,22,21,163	86.64	2,13,09,729
B=B1+B2+B3	**45,454**	**2,22,47,213**	**2,22,47,213**	**86.74**	**2,22,47,213**	**86.74**	**2,13,35,779**

d) Statement showing shareholding pattern of the Non-Promoter Non-Public shareholder

Category & Name of the Shareholders(I)	No. of shareholder (III)	No. of fully paid up equity shares held(IV)	Total no. shares held (VII = IV+V+VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of equity shares held in dematerialized form (XIV) (Not Applicable)
C1) Custodian/DR Holder	--	--	--	--	--
C2) Employee Benefit Trust	--	--	--	--	--

e) Details of disclosure made by the Trading Members holding 1% or more of the Total No. of shares of the Company

Sr. No.	Name of the Trading Member	Name of the Beneficial Owner	No. of shares held	% of total no. of shares	Date of reporting by the Trading Member
--	Nil				

f) Details of Significant Beneficial Owners

Sr. No.	Details of SBO (I)		Details of registered owner (II)		Details of holding/ exercise of right of the SBO in the reporting company, whether direct or indirect*: (III)					Date of creation / acquisition of significant beneficial interest# (IV)
					Whether virtue of					
	Name	Nationality	Name	Nationality	Equity Shares	Voting Rights	Rights on distributable dividend or any other distribution	Exercise of control	Exercise of significant influence	
1.	Handful Investrade Private Limited	India	Banas Finance Limited	India	12	12	--	Yes	Yes	March 26, 2021

*Note = * In case the nature of the holding/ exercise of the right of a SBO falls under multiple categories specified under (a) to (e) under Column III, multiple rows for the same SBO shall be inserted accordingly for each of the categories*

 # This column shall have the details as specified by the listed entity under Form No. BEN-2 as submitted to the Registrar.

g) Details of Public shareholders holding more than 1% of the pre-Issue paid up capital of our Company as on date of this Letter of Offer:

Category of shareholder	No. of shareholders	No. of fully paid up Equity Shares held	Total no. Equity Shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	No. of Voting Rights	Total as a % of Total Voting right	No. of equity shares held in dematerialized form
Hemangini Vinitkumar Parikh	1	10,10,633	10,10,633	3.94	10,10,633	3.94	10,10,633
Mangesh Madhukar Dhotre	1	7,10,831	7,10,831	2.77	7,10,831	2.77	7,10,831
Jr Seamless Private Limited	1	5,20,114	5,20,114	2.03	5,20,114	2.03	5,20,114
Kashiram Pundalik Kadam	1	4,96,936	4,96,936	1.94	4,96,936	1.94	4,96,936
Himmat Vinodchandra Bhatt	1	4,44,214	4,44,214	1.73	4,44,214	1.73	4,44,214
Nidhi Pradeep Dhanuka	1	4,37,900	4,37,900	1.71	4,37,900	1.71	4,37,900
Shweta Shyam Pedamkar	1	3,84,103	3,84,103	1.50	3,84,103	1.50	3,84,103
Unisys Softwares And Holdings Industries Ltd.	1	3,84,000	3,84,000	1.50	3,84,000	1.50	3,84,000
Hardik Natavarbhai Panchal	1	3,62,329	3,62,329	1.41	3,62,329	1.41	3,62,329
Ambalal Jhaverbhai Patel	1	3,26,408	3,26,408	1.27	3,26,408	1.27	3,26,408
Total	**10**	**50,77,468**	**50,77,468**	**22.77%**	**50,77,468**	**22.77%**	**50,77,468**

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Towards working capital requirements;

2. Investment in our Associate, Tilak Ventures Limited for augmentation of funding requirements for its business activities.

3. To meet Issue related expenses.

The main object clause of the Memorandum of Association of our Company enables us to undertake the existing activities and the activities for which the funds are being raised through the Issue. Further, we confirm that the activities which we have been carrying out till date are in accordance with the object clause of our Memorandum of Association.

ISSUE PROCEEDS

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

Particulars	Amount (₹ in Lakhs)
Gross Proceeds from the Issue#	₹4,924.56
Less: Estimated Issue related Expenses	(₹57.25)
Net Proceeds from the Issue	**₹4,867.31**

 # assuming full subscription and Allotment;
**The Issue size will not exceed ₹49,80,00,000.00/- (Rupees Forty-Nine Crore Eighty Lakhs Only). If there is any reduction in the amount on account of or at the time of finalization of Issue Price and Rights Entitlements Ratio, the same will be adjusted against General Corporate Purpose.*

REQUIREMENT OF FUNDS AND UTILISATION OF NET PROCEEDS

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

Sr. No.	Particulars	Amount (₹ in Lakhs)
1)	Towards working capital requirements;	₹2,286.20
2)	Investment in our Associate, Tilak Ventures Limited for augmentation of funding requirements for its business activities;	₹1,652.50
3)	General Corporate Purposes#	₹928.61
Total Net Proceeds@		**₹4,867.31**

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

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

UTILIZATION OF NET PROCEEDS AND SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds towards the aforesaid objects in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

Sr. No.	Particulars	Amount to be deployed from Net Proceeds for the Financial Year ending March 31, 2023 (₹ in Lakhs)
1.	Towards working capital requirements;	₹2,286.20
2.	Investment in our Associate, Tilak Ventures Limited for augmentation of funding requirements for its business activities;	₹1,652.50
3.	General Corporate Purposes#	₹928.61
	Total Net Proceeds	**₹4,867.31**

#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.*

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.

The fund requirement and deployment are based on our management estimates and has not been appraised by any bank or financial institution or any other independent agencies. The fund requirement above is based on our current business plan and our Company may have to revise these estimates from time to time on account of various factors beyond our control, such as market conditions, competitive environment and interest or exchange rate fluctuations. Consequently, our Company's funding requirements and deployment schedules are subject to revision in the future at the discretion of our management.

DETAILS OF THE OBJECTS OF THE ISSUE

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

1. Towards working capital requirements

We fund the majority of our working capital requirements in the ordinary course of our business from our internal accruals. We operate in a highly competitive and dynamic market conditions and may have to revise our estimates from time to time on account of external circumstances, business or strategy, foreseeable opportunity. Consequently, our fund requirements may also change.

The details of estimation of working capital requirement (on consolidated basis), is as under:

(₹ in Lakhs)

Sr. No	Particulars	Audited Financial Statement for the Financial Year ending March 31,		Estimated Financial Statement for the Financial Year ending March 31,	
		2021	2022	2023	2024
1	Current Assets				
	Trade Receivables	₹5.39	₹2.50	₹22.25	₹32.25
	Cash and Cash Equivalents	₹161.35	₹1,150.00	₹700.00	₹715.00

Sr. No	Particulars	Audited Financial Statement for the Financial Year ending March 31,		Estimated Financial Statement for the Financial Year ending March 31,	
		2021	2022	2023	2024
	Other Financial Assets	₹377.81	₹700.00	₹2,236.45	₹3,200.00
	Short-term Loans and Advances	₹5,372.85	₹3,151.55	₹4,331.,55	₹4,531.55
	Total Current Assets (1)	**₹5,917.40**	**₹5,004.05**	**₹7,290.25**	**₹8,478.80**
2	Current Liabilities				
	Trade Payables	₹8.27	₹4.40	₹4.40	₹4.40
	Other Financial Liabilities	₹1,120.40	₹664.00	₹664.00	₹730.40
	Short Term Provisions	₹398.92	₹210.00	₹210.00	₹210.00
	Total Current Liabilities (2)	**₹1,527.59**	**₹878.40**	**₹878.40**	**₹944.80**
	Working Capital (1-2)	**₹4,389.81**	**₹4,125.65**	**₹6,411.85**	**₹7,534.00**
	Funding Pattern				
	Short Term Borrowings	₹1,120.40	₹664.00	₹664.00	₹664.00
	Company's Funds	₹3,269.41	₹3,461.65	₹3,461.65	₹6,870.00
	Proceeds from proposed Rights Issue	**-**	**-**	**₹2,286.20**	**-**
	Total	**₹4,389.81**	**₹4,125.65**	**₹6,411.85**	**₹7,534.00**

2. Investment in our associate, Tilak Ventures Limited for augmentation of funding requirements for its business activities

Assuming full subscription and Allotment of the Rights Equity Shares in the Issue, our Company proposes to utilize ₹1,652.50/- lakhs from the Net Proceeds towards making an investment in our associate for augmentation of funding requirements for its business activities. Out of the Net Proceeds, ₹1,652.50/- Lakhs shall be invested in Tilak Ventures Limited in the form of equity.

As on date, our Company holds 4,21,00,000 (Four Crores Twenty-One Lakhs) fully paid-up equity shares representing 32.77% (Thirty-Two point Seven Seven Percent) of the voting share capital of Tilak Ventures Limited and 6,61,00,000 (Six Crores Sixty-One Lakhs) partly paid-up equity shares representing 68.59% (Sixty-Eight point Five Nine Percent) of the voting share capital arising out of the Rights Issue of Tilak Ventures Limited and paid ₹16,52,50,000.00/- (Sixteen Crores Fifty-Two Lakhs and Fifty Thousand Only) application money from internal sources.

We propose to utilise the amount earmarked for the investment in associate to fulfil one or more subsequent call(s) made on 6,61,00,000 (Six Crores Sixty-One Lakhs) partly paid-up rights equity shares of Tilak ventures Limited of face value of ₹1.00/- (Rupees One Only) each at ₹5.00/- (Rupees Five Only) per rights share (including a premium of ₹4.00/- (Rupees Four only) per share representing 68.59% of the Rights equity shares issued by Tilak Ventures Limited issued pursuant to the Rights issue of which ₹2.50/- (₹0.50/- towards face value and ₹2.00/- towards securities premium) remains unpaid.

Pursuant to the said acquisition of Tilak Ventures Limited equity shares by our Company, our Company shall have 48.12% shareholding in Tilak Ventures Limited and Tilak Ventures Limited will be the associate of our Company.

Our Company believes that the strategic acquisition of Tilak Ventures Limited through subscription of Tilak Ventures Limited right equity shares will boost the consolidated turnover and profitability of our Company giving our Company a whole wider opportunity of locations, geography, and improved scale of operations.

3. General Corporate purposes

The remaining Net Proceeds, if any, shall be utilized towards general corporate purposes and the amount to be utilized for general corporate purposes shall not exceed 25.00% (Twenty-Five Percent) of the Gross Proceeds. Such utilization towards general corporate purposes shall be to drive our business growth, including, amongst other things including but not limited funding our growth opportunities, strengthening marketing capabilities and brand building exercises, and strategic initiatives and any other purpose as permitted by applicable laws; subject to meeting regulatory requirements and obtaining necessary approvals/ consents, as applicable.

The quantum of utilization of funds towards any of the above purposes will be determined based on the amount available under this head and the business requirements of our Company, from time to time. Our Board will have flexibility in utilizing surplus amounts, if any.

4. Expenses for the Issue

The Issue related expenses consist of fees payable to the Lead Manager, processing fee to the SCSBs, Registrars to the Issue, printing and stationery expenses, advertising expenses and all other incidental and miscellaneous expenses for listing the Right Shares on the Stock Exchange. Our Company will need approximately ₹57.25 Lakhs (Rupees Fifty-Seven Lakhs Twenty-Five Thousand Only) towards these expenses, a break-up of the same is as follows:

(₹ in Lakhs)

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of the Lead Manager, RTA, and legal advisor, other professional service providers	₹17.00	29.69%	0.35%
Fees payable to regulators, including depositories, Stock Exchange, and SEBI	₹10.00	17.47%	0.20%
Statutory advertising, marketing, printing and distribution	₹20.00	34.93%	0.41%
Other expenses (including miscellaneous expenses and stamp duty)	₹10.25	17.90%	0.21%
Total estimated Issue expenses*	**₹57.25**	**100.00%**	**1.17%**

** Subject to finalization of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes. All Issue related expenses will be paid out of the Gross Proceeds from the Issue.*

SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We will be receiving 100.00% (One Hundred Percent) of the Net Proceeds on Application. Accordingly, our Company retains the right to utilize the Net Proceeds to meet the stated Objects.

SOURCES OF FINANCING OF FUNDS ALREADY DEPLOYED

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

APPRAISAL OF THE OBJECTS

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

STRATEGIC AND/ OR FINANCIAL PARTNERS

There are no strategic and financial partners to the objects of the issue.

BRIDGE FINANCING FACILITIES

Our Company have not raised or availed any bridge financing facilities for meeting the expenses as stated under the Objects of the Issue.

INTERIM USE OF FUNDS

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

Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 82(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. As required under the SEBI (LODR) Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements. As per the requirements of Regulations 18 of the SEBI (LODR) Regulations, we will disclose to the Audit Committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in the Letter of Offer and place it before the Audit Committee. The said disclosure shall be made till such time that the Gross Proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditor. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the BSE Limited, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulations 33 of the SEBI (LODR) Regulations and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the Audit Committee in terms of Regulation 18 of the SEBI (LODR) Regulations.

VARIATION IN OBJECTS

In accordance with applicable provisions of the Companies Act, and applicable rules, except in circumstances of business exigencies, our Company shall not vary the Objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the ***'Postal Ballot Notice'***) shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Hindi, the vernacular language of the jurisdiction where the Registered Office is situated.

KEY INDUSTRY REGULATIONS FOR THE OBJECTS OF THE ISSUE

No additional provisions of any acts, regulations, rules, and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

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

The Promoters and members of Promoter Group of our Company through its letters dated Wednesday, January 05, 2022, have undertaken to subscribe, in part or in full extent of their Rights Entitlement among themselves subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR.

None of our Promoters, members of the Promoter Group and the Directors have any interest in the Objects of the Issue.

OTHER CONFIRMATIONS

Except disclosed above, there is no material existing or anticipated transactions in relation to the utilization of the Net Proceeds with our Promoter, Directors or Key Management Personnel of our Company and no part of the Net Proceeds will be paid as consideration to any of them. Except disclosed above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue. No part of the proceeds from the Issue will be paid by the Company as consideration to our Group Companies, our Directors, or Key Managerial Personnel.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors,
Banas Finance Limited,
E-109, Crystal Plaza,
New Link Road,
Andheri (West), Mumbai - 400053,
Maharashtra, India

Dear Sir,

Subject:	**Proposed rights issue of equity shares of face value of ₹10.00 (Rupees Ten only) ('Equity Shares') of Banas Finance Limited ('Company' and such offering, the 'Issue')**

This certificate is issued in accordance with the terms of our engagement letter dated 5th January 2022.

The preparation of the Statement is the responsibility of the management of the Company for the 'Issue', including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

We have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

The Management of the Company has prepared 'Statement of possible special tax benefits' under direct tax laws i.e. Income Tax Rules, 1962 ('Income Tax Laws'), and indirect tax laws i.e. the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962, Customs Tariff Act, 1975 as amended, the rules and regulations, circulars and notifications issued there under, Foreign Trade Policy presently in force in India applicable to the Company and its shareholders.

The Company has requested us to confirm statement attached in the Annexure I and II, are available to the Company and its shareholders.

We hereby confirm that the enclosed Annexures, prepared by the Company, provides the possible special tax benefits available to the Company. The benefits discussed in the enclosed Statement cover only special tax benefits available to the Company and to the shareholders of the Company and are not exhaustive and do not cover any general tax benefits available to the Company. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Statement.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue. Neither are we suggesting nor advising the investor to invest in the Issue based on this statement.

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

1. The Company or its shareholders will continue to obtain these benefits in future; or

2. The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby consent to the extracts of this certificate being used in the letter of offer / letter of offer of the Company in connection with the Issue or in any other documents in connection with the Issue, and the submission of this certificate as may be necessary, to any regulatory authority and / or for the records to be maintained by the Lead Manager in connection with the Issue and in accordance with applicable law, and for the purpose of any defense the Lead Manager may wish to advance in any claim or proceeding in connection with the contents of the Offer Documents.

This certificate may also be relied upon by the Company, Lead Manager, their affiliates, and the legal counsel in relation to the Issue.

The above certificate shall not be used for any other purpose without our prior consent in writing and we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

Yours faithfully,

For M/s Pravin Chandak & Associates
Chartered Accountants
(FRN No 116627W)
CA Nishant Sampat
Partner)
(Membership No: 134410)
Place of Signature: Mumbai.
Date: 06/01/2022
UDIN: 22134410AAAAAA2341

Encl: As above

ANNEXURE I

STATEMENT OF SPECIAL TAX BENEFITS AVAILABLE TO BANAS FINANCE LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the Income Tax Act, 1961 ('Act')

a. Special tax benefits available to the Company under the Act

There are no special tax benefits available to the Company.

b. Special tax benefits available to the shareholders under the Act

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

Notes

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership, and disposal of shares;

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law;

3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23;

4. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company;

5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile;

6. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For and on behalf of Banas Finance Limited
Girraj Kishor Agrawal
Director

Date: Mumbai
Place: 05/01/2022

ANNEXURE II

STATEMENT OF INDIRECT TAX BENEFITS AVAILABLE TO BANAS FINANCE LIMITED ('COMPANY') AND ITS SHAREHOLDERS

1. Under the The Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 ('GST Act'), the Customs Act, 1962 ('Customs Act') and the Customs Tariff Act, 1975 ('Tariff Act') (collectively referred to as 'Indirect Tax')

a. Special tax benefits available to the Company under the Indirect Tax

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

b. Special tax benefits available to the shareholders under the Indirect Tax

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

Notes

1. The above statement is based upon the provisions of the specified Indirect Tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure;

2. The above statement covers only above-mentioned Indirect Tax laws benefits and does not cover any direct tax law benefits or benefit under any other law;

3. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice;

4. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes;

For and on behalf of Banas Finance Limited
Girraj Kishor Agrawal
Director

Date: Mumbai
Place: 05/01/2022

INDUSTRY OVERVIEW

INTRODUCTION TO INDIAN FINANCIAL SERVICE INDUSTRY

India has a diversified financial sector undergoing rapid expansion, both in terms of strong growth of existing financial services firms and new entities entering the market. The sector comprises commercial banks, insurance companies, non-banking financial companies, co-operatives, pension funds, mutual funds, and other smaller financial entities. The banking regulator has allowed new entities such as payments banks to be created recently thereby adding to the types of entities operating in the sector.

The Government of India has introduced several reforms to liberalize, regulate and enhance this industry. The Government and Reserve Bank of India (RBI) have taken various measures to facilitate easy access to finance for Micro, Small and Medium Enterprises (MSMEs). These measures include launching Credit Guarantee Fund Scheme for Micro and Small Enterprises, issuing guideline to banks regarding collateral requirements and setting up a Micro Units Development and Refinance Agency (MUDRA). With a combined push by both government and private sector, India is undoubtedly one of the world's most vibrant capital markets.

(Source: https://www.ibef.org/industry/financial-services-india.aspx)

REFORMS IN INDIAN FINANCIAL SERVICES INDUSTRY

Until the early 1990s, the role of the financial system in India was primarily restricted to the function of channeling resources from the surplus to deficit sectors. Whereas the financial system performed this role reasonably well, its operations came to be marked by some serious deficiencies over the years. The banking sector suffered from lack of competition, low capital base, low productivity, and high intermediation cost. After the nationalization of large banks in 1969 and 1980, public ownership dominated the banking sector. The role of technology was minimal, and the quality of service was not given adequate importance. Banks also did not follow proper risk management system and the prudential standards were weak. All these resulted in poor asset quality and low profitability. In the insurance sector, there was little competition. The mutual fund industry also suffered from lack of competition and was dominated for long by one institution, viz., the Unit Trust of India.

Wide-ranging financial sector reforms in India were introduced as an integral part of the economic reforms initiated in the early 1990s. Financial sector reforms in India were grounded in the belief that competitive efficiency in the real sectors of the economy will not be realized to its full potential unless the financial sector was reformed as well. Thus, the principal objective of financial sector reforms was to improve the allocative efficiency of resources and accelerate the growth process of the real sector by removing structural deficiencies affecting the performance of financial institutions and financial markets.

The main thrust of reforms in the financial sector was on the creation of efficient and stable financial institutions and markets. Reforms in respect of the banking as well as non-banking financial institutions focused on creating a deregulated environment and enabling free play of market forces while at the same time strengthening the prudential norms and the supervisory system. In the case of non-banking financial intermediaries, reforms focused on removing sector-specific deficiencies. Thus, while reforms in respect of Development Financial Institutions focused on imparting market orientation to their operations by withdrawing assured sources of funds, in the case of NBFCs, the reform measures brought their asset side also under the regulation of the Reserve Bank. In the case of the insurance sector and mutual funds, reforms attempted to create a competitive environment by allowing private sector participation. Reforms in financial markets focused on removal of structural bottlenecks, introduction of new players/instruments, free pricing of financial assets, relaxation of quantitative restrictions, improvement in trading, clearing and settlement practices, more transparency, etc. Reforms encompassed regulatory and legal changes, building of institutional infrastructure, refinement of market microstructure and technological upgradation. In the various financial market segments, reforms aimed at creating liquidity and depth and an efficient price discovery process.
(Source: https://www.rbi.org.in/scripts/PublicationsView.aspx?id=14945)

STRUCTURE OF CREDIT MARKET IN INDIA

Credit markets perform the critical function of intermediation of funds between savers and investors and improve the allocative efficiency of resources. Banks, which are major players in the credit market, play an important role in providing various financial services and products, including hedging of risks. Credit markets also play a key role in the monetary transmission mechanism.

The credit market in India has traditionally played a predominant role in meeting the financing needs of various segments of the economy. Credit institutions range from well-developed and large sized commercial banks to development finance institutions (DFIs) to localized tiny co-operatives. They provide a variety of credit facilities such as short-term working loans to corporates, medium and long-term loans for financing large infrastructure projects and retail loans for various purposes. Unlike other segments of the financial market, the credit market is well spread throughout the country, and it touches the lives of all segments of the population.

The credit market structure in India has evolved over the years. A wide range of financial institutions exist in the country to provide credit to various sectors of the economy. These include commercial banks, regional rural banks (RRBs), cooperatives [comprising urban cooperative banks (UCBs), State co-operative banks (STCBs), district central co-operative banks (DCCBs), primary agricultural credit societies (PACS), state co-operative and agricultural rural development banks (SCARDBs) and primary co-operative and agricultural rural development banks (PCARDBs)], financial institutions (FI) (term-lending institutions, both at the Centre and State level, and refinance institutions) and non-banking financial companies (NBFCs).

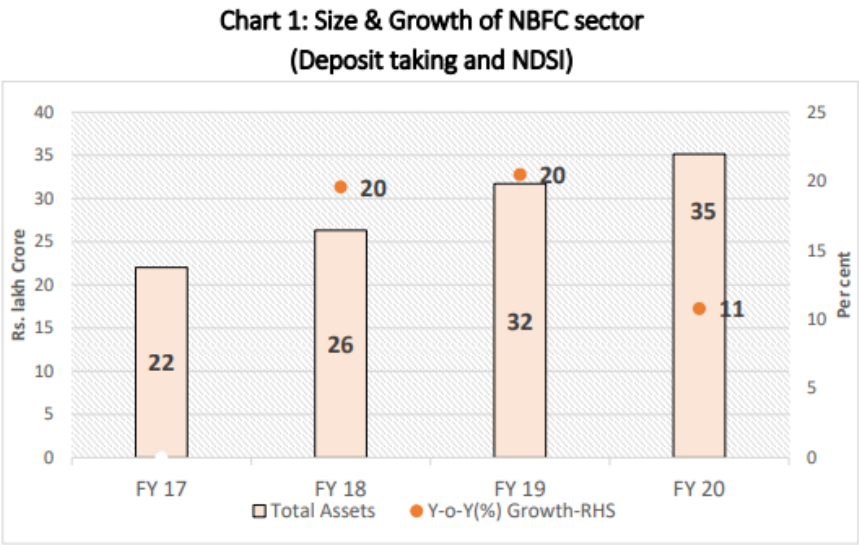
(Source:https://www.rbi.org.in/SCRIPTs/PublicationReportDetails.aspx?UrlPage=ReportonCurrencyandFinance&ID=502)

RECENT DEVELOPMENTS IN NBFC SECTOR

At this juncture, NBFC sector is passing through a critical phase. Recent failures of certain large Non-Banking Financial Companies (NBFCs), severe liquidity strain confronting the sector and the consequent financial stability concerns have brought NBFC regulations back into focus. We thought that the time is opportune to talk a little bit on the innovative transformations taking place in the NBFC sector and the regulatory response from the Reserve Bank. It would be contextual to take stock of the direction in which regulatory focus has moved and what could be the future shape of NBFC regulations. This is intended as an analysis to evoke discussion and debate on the subject.

Growth of NBFC sector and the need for prudence 3. NBFCs have come a long way in terms of their scale and diversity of operations. They now play a critical role in financial intermediation and promoting inclusive growth by providing last-mile access of financial services to meet the diversified financial needs of less-banked customers. Over the years, the segment has grown rapidly, with a few of the large NBFCs becoming comparable in size to some of the private sector banks. The sector has also seen advent of many non-traditional players leveraging technology to adopt tech-based innovative business models. Between March 31, 2009 and March 31, 2019, the total assets2 of NBFCs grew at a compounded annual growth rate (CAGR) of 18.6 per cent, while the balance sheets of scheduled commercial banks (SCBs) grew at a CAGR of 10.7 per cent. Consequently, the aggregate balance sheet size of NBFCs increased from 9.3 per cent to 18.6 per cent of the aggregate balance sheet size of SCBs during the corresponding period. In absolute terms, the asset size of NBFC sector (including HFCs), as on March 31, 2020, is Rs.51.47 lakh crore3. As at end-March 2020, NBFCs have been the largest net borrowers of funds from the financial system, of which, more than half of the funds were from SCBs, followed by Asset Management Companies-Mutual Funds (AMC-MFs) and Insurance Companies. As the financial intermediation has shifted, so has interconnectedness. Many NBFCs now rely on banking system for funds and emergency liquidity needs. Therefore, it is not enough to understand and confront the vulnerabilities of the banking sector alone. The need of the hour is to understand vulnerabilities in the NBFC sector and how shocks are transmitted to or from the sector.

Chart 1: Size & Growth of NBFC sector



Source: Supervisory Returns, RBI

It is important to recognize that challenges faced by some of the NBFCs were reflective of inherent fragilities. As financial markets started differentiating between strong/well managed NBFCs and those having perceptible weaknesses, market discipline started to play out - entities with asset-liability mismatches or asset quality concerns faced constraints on market access. RBI, in response, took several calibrated steps to channel credit flow into the NBFC sector and improve the sector's long-term resilience. 8. As the sector was slowly inching towards normalcy (as can be seen from Table-1 below), the outbreak of COVID-19 and disruptions in economic activity due to lockdowns led to building up of huge stress in the financial system. While the entire financial system was affected, the impact was significantly greater on NBFCs due to their underlying business models, thereby straining their profitability. Table

Profitability of NBFC Sector (Deposit Taking and NDSI) (Amount in Rs. Crore) Profitability Parameters March 2017 March 2018 March 2019 March 2020 Net profit (Rs. Crore) 31,923 42,434 17,460 41,257 Annualised RoA (%) 1.5 1.6 0.6 1.2 Annualised RoE (%) 6.3 6.8 2.4 5.1 Data source- Supervisory Return

The regulatory approach of the Reserve Bank has adapted to the increase in complexity of the entities within the NBFC sector as well as the growing significance of NBFCs within the financial sector. The core principles of NBFCs regulation, however, has remained intact, i.e., - a) protection of depositors (in case of deposit-accepting companies) and customers; and, b) preserving financial stability. The varying emphasis on these objectives at different points in time has led RBI to deploy different policy tools as appropriate. We must recognise that NBFC regulation has undergone certain fundamental changes in recent years.

Here are five outlines of these most significant changes in brief - (i). First and foremost, in line with RBI's emphasis on ownership-neutral regulations, Government owned NBFCs have been brought under the purview of prudential regulation since May 2018. Considering that Government owned NBFCs account for more than one-third of the sector, predominantly in infrastructure financing, this is a significant change. (ii). Second, considering the recent turmoil some NBFCs had to face because of liquidity stress, the criticality of sound liquidity risk management by NBFCs has been reinforced with the introduction of the liquidity risk management framework for NBFCs with asset size above Rs.100 crores. All NBFCs, irrespective of size are encouraged to follow the framework. The guidelines emphasize the 'Principles of Sound Liquidity Risk Management and Supervision' published by Basel Committee on Banking Supervision. The framework expects the Boards of NBFCs to take an active role in the management of liquidity risk and deploy internal monitoring tools suitable to their business profile. More importantly, the regulations have devised a simplified and tailored Liquidity Coverage Ratio (LCR) meant for large NBFCs. It would prepare large NBFCs to

effectively meet cash outflows even under severe liquidity stress scenarios over a 30-day horizon. No doubt, maintaining adequate high-quality liquidity assets would have repercussion on the overall yields of NBFCs, but the regulation is commensurate with the need to mitigate risks associated with maturity/liquidity transformation the NBFCs engage in. (iii). The third important development is in connection with FinTech based product delivery. It is now well recognised that non-banking financial sector would be a fertile ground for technology-based experimentation in financial products and services. Regulations have sought to create a conducive environment in this regard. For example, the timely introduction of guidelines for P2P lending platforms has ensured orderly growth of the segment anchored in high standards of prudence. Those have made lending platforms a neutral meeting place for lenders and borrowers and keeping them insulated from handling of funds involved in the underlying transactions. Regulations have brought down risks while creating the right environment for legitimate expansion of business opportunities. The ecosystem created under the Account Aggregator (AA) framework is yet another example of proactive regulation in the technology-intense activities. The AA framework has ushered in the required framework for safe, secure and consent-based sharing of information on financial assets of a customer. The critical regulatory aspect to be noted here is that the Account Aggregator does not store or view the data passing through it, thereby leaving no scope for any perverse incentive to abuse/ misuse the financial data.

With the growth in size and interconnectedness, NBFCs have increasingly become systemically significant and the prudential regulations for NBFC sector have evolved to give greater focus to the theme of financial stability. However, let's not forget that regulation-light structure of NBFCs has enabled the flexibility enjoyed by them. This flexibility is the primary advantage of NBFCs over banks, enabling them to serve the last mile of financial intermediation. Therefore, it is imperative to strike a balance between regulating the NBFCs more tightly and the need to provide them the required flexibility. This will remain the cornerstone while we imagine the future of regulation for NBFCs. The Future Principle of Proportionality

There is a view that any regulatory framework would ideally be designed according to the principle of proportionality. By extension, the spill-over of risks from a systematically important NBFC capable of transmitting perceptible impact on financial stability, must be dealt with in a proportionate manner. So, NBFCs with significant externalities and which contribute substantially to systemic risks must be identified and subjected to a higher degree of regulation. One can also argue that the design of prudential regulatory framework for such NBFCs can be comparable with banks so that beyond a point of criticality to systemic risks, such NBFC should have incentives either to convert into a commercial bank or scale down their network externalities within the financial system. This would make the financial sector sound and resilient while allowing a majority of NBFCs to continue under the regulation-light structure.

Within the proportionality paradigm, one must deal with entities which neither belong to the critical ones in terms of systemic risk nor are they too small in their scale and complexity. These NBFCs currently enjoy great degree of regulatory arbitrage visà-vis banks. As a group, these entities can contribute to build-up of systemic risks because of the regulatory arbitrage enjoyed by them; hence there is a need to recalibrate the regulations.

While dealing with proportionality principle, let me also touch upon the regulation of microfinance sector as well. We all are aware of the circumstances under which the regulatory framework for NBFC-MFIs was framed. Much water has flown under the bridge since then. Several large MFIs have converted into Small Finance Banks. The share of NBFC-MFIs in the overall microfinance sector has come down to a little over 30 per cent. Today we are in a situation, where the regulatory rigour is applicable only to a small part of the microfinance sector. There is a need to re-prioritise the regulatory tools in the microfinance sector so that our regulations are activity-based rather than entity-based. After all, the core of microfinance regulation lies in customer/consumer protection.

We need to strike the right balance between the degree of regulation and the need for flexibility – a critical issue I alluded to a while ago. We could perhaps consider a graded regulatory framework for NBFCs calibrated in relation to their contribution to systemic significance. Regulating the FinTech

Although significant regulatory steps have been taken already in the FinTech, the dynamic nature of the FinTech focused NBFCs keeps throwing up new challenges. The NBFC sector has been in the forefront in adopting innovative fintech-led delivery of products and services which are transforming the way one can imagine access to and interaction with these services. The advance technological solutions such as Big Data Analytics and Artificial Intelligence are being adopted by a large number of players to extend credit in an efficient manner over digital platforms. The Reserve

Bank has been on the forefront of creating an enabling environment for growth of digital technology for new financial products and services. In fact, in the non-banking space, the RBI has been ahead of the curve and has come out with regulations for new products and services when the industry itself was at nascent stage. Peer to peer (P2P) lending, Account Aggregator (AA), and credit intermediation over "only digital platform" are case in point where the regulations have helped the industry to grow in a systematic and robust manner. While making regulation for the future in FinTech area, orderly growth and customer protection and data security will remain the guiding principles for the RBI. Ensuring transparency and governance

Ensuring good corporate governance in NBFCs is at the core of any regulatory change. This is not an easy objective to meet, as good governance is essentially an aspirational achievement for an entity and it can seldom be founded only on regulatory prescriptions. Good governance would be a natural outcome if promoters/owners and senior management are fundamentally 'fit and proper'. It is extremely critical that appropriate filtering mechanisms are in place to allow only the genuine and able promoters to start the business of NBFCs. After all, by issuing Certificate of Registration to new NBFCs, we provide them with the regulatory mandate to access public funds multiple times their net worth. Besides, it is necessary that NBFCs do not become conduits in money laundering and terrorist financing in any manner. While the current mechanism within RBI focuses on the above objective for companies seeking registration, there is a need to extend similar rigor of due diligence whenever there is a change in ownership/ control in an existing NBFC.

(Source: RBI's Report Growth of NBFC Sector)

BUSINESS OVERVIEW

Our Company was incorporated and commenced its business on June 06, 1983, as Pioneer Leasing company Limited under the Companies Act, 1956. Our Company is a Non-Deposit taking Non-Banking Financial Company (NBFC-ND) registered with RBI bearing registration number '13.01152' to carry on NBFI business activities under Section 45IA of the Reserve Bank of India Act, 1934. We are engaged in a diverse range of products catering to the financial services sector directly through our own Company. Further, our Company is also engaged in the business of trading.

The main object of the business of the Company is purchasing, leasing, factoring, financing of hire-purchase, leasing of all kinds of plants and machineries, motor vehicles, motor boats, trawlers, launches, ships, vessels, helicopters, aircrafts, automobiles, computers or any other equipment that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transaction and all and every kind and description upon any terms whatsoever and to carry on business as investors and dealers in shares, stocks and securities, capitalists, financiers, concessionaires and to undertake, carry on and execute all kinds of financial, commercial, and trading operations (except banking and insurance business under Banking regulation Act, 1949, and the Insurance Act, 1938) to make loans both short and long term with provision of financial software such as computer programme.

Our Company is promoted by Girraj Kishor Agrawal, Tanu Girraj Agrawal, Handful Investrade Private Limited, and Agrawal Bullion Limited *(Formerly known as Kayaguru Health Solutions Private Limited)*. As a Non-Banking Financial Company, we are involved in providing financial services with focus in corporate and non-corporate sector and retail customers.

In the Financial Year ending March 31, 2021, our Company had successfully absorbed and merged Proaim Enterprises Limited (First Transferor Company), Axon Ventures Limited (Second Transferor Company) and Rockon Enterprises Limited (Third Transferor Company), with our Company. The said merger led to creation of single unified lending entity.

BUSINESS MODEL

Our Company's business model is centred around lending activities such as granting of loans and advances. As an NBFC, we operate in the business of providing corporate and non-corporate sector and retail customers. We provide finance to our clients after satisfying ourselves about the credit worthiness and repayment capacity of our borrowers after evaluating the material risks associated with the business/ project/ proposal for which loan has been sought.

OUR BUSINESS OPERATIONS

Our Company started its commercial operations in 1983. Since then, the company started expanding and changed its line of business several times as elaborated in above paras. The below table captures the financial information of the Company.

(₹ in Lakhs)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Equity Share Capital	₹2,564.87	₹2,564.87	₹2,564.87
Net Worth	₹16,148.14	₹9,298.24	₹8,120.18
Total Income	₹1,320.12	₹564.60	₹894.93
Profit / (loss) after tax	₹6906.21	₹1,178.07	₹119.52
Basic and Diluted EPS	₹26.93/-	₹4.37/-	₹1.05/-
Net asset value per Equity Share	₹62.96/-	₹36.25/-	₹67.94/-
Total borrowings	₹689.70	₹1,120.40	₹1,060.70

OUR FINANCIAL PRODUCTS

The various financial products that we offer are as follows:

1. Short term financing

Our Company provides short term loans for a tenure ranging between 1 (One) month to 12 (Twelve) months.

2. Long term Loans

Our Company provides loans to corporate and non-corporate for a tenure ranging between 12 (Twelve) to 84 (Eigthy-Four) months.

3. Investment in shares and securities

Our Company invests in shares and securities of various companies from time to time.

COMPETITIVE STRENGTHS

1. Strong professional and experienced execution/ management team allows the Company to develop a strong business

Our Company's business is supported by an experienced and professional management team with strong background in financial services.

Our management team is backed by our Promoters who are having more than a decade of experience in varied business. We believe that the relevant experience of our management and KMPs would provide us a competitive advantage as compared to other unorganized players in the financial sector.

2. Focus on a disciplined business philosophy with internal controls and risk management

Our Company is focused on providing short term and medium-term loans. Our Company does not give industry specific loans but gives weightage to the borrowers' repayment capacity. Our Company believes that it has necessary internal controls and risk management systems to assess and monitor risks.

OUR STRATEGIES

Our key strategic priorities are as follows:

1. Leverage on our experience and relationships

We have steadily grown our business in recent years. We intend to continue to leverage our experience and relationships with our customers to expand and diversify.

2. Focus on customer services by efficient use of technology

We believe that customer service initiatives coupled with the effective use of technology can help us enhance our recognition and business operations. We intend to continue investing in technology to improve our operational efficiencies, functionality, reduce errors and improve our productivity. We also believe in deploying strong technology systems that will enable us to respond to market opportunities and challenges swiftly, improve the quality of services to our customers, and improve our risk management capabilities. We intend to remain committed to technological innovation to ensure our ability to respond to our increasingly sophisticated and competitive market and to mitigate the risks we face as a NBFC.

3. Maintain and expand long term relationship with client

Our Company believes that business is a by-product of relationship. The business model is based on client relationships that are established over period. Our Company believes that a long-term relationship with clients fetches better dividends.

4. Attract and retain experienced professionals

Our Company believes in recruiting qualified professionals with experience in financial services sector, credit evaluation, risk management, technology, and marketing.

HISTORY AND CORPORATE STRUCTURE

BRIEF CORPORATE HISTORY OF OUR COMPANY

Our Company was incorporated on June 06, 1983, as a public limited company, in the name and style 'Pioneer Leasing Company Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Bombay, Maharashtra, India. Further, the name of our Company was changed to from 'Pioneer Leasing Company Limited' to 'Banas Finance Limited' and a Certificate of Incorporation consequent upon the change of name was issued by the Registrar of Companies, Mumbai, Maharashtra, India on August 28, 1986. In the Financial Year ending on 1985, the Company as listed on the BSE Limited effective from May 02, 1985, bearing Scrip ID 'BANASFIN', Scrip Code 509053, and ISIN 'INE521L01030'. The Corporate Identification Number of our Company is L65910MH1983PLC030142.

CHANGES IN OUR REGISTERED OFFICE

The details of changes in the registered office of our Company is specified as under:

Address		Effective from	Reason for change
From	To		
132 Great Western Bldgs B Road, Mumbai – 400023, Maharashtra, India	E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai, Maharashtra, 400053, India	August 09, 2010	Administrative Convenience

MAIN OBJECTS OF OUR COMPANY

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

"To carry on the business of hire-purchase, leasing, factoring, financing of hire-purchase, lease of all kinds of plants and machineries, motor vehicles, motor boats, trawlers, launches, ships, vessels, helicopters, aircrafts, automobiles, computers or any other equipment that the Company may think fit and to assist in financing of all and every kind and description of hire purchase or deferred payment or similar transaction and to subsidies, finance or assist in subsidizing or financing the sale and maintenance of any goods, articles or commodities of all and every kind and description upon any terms whatsoever and to carry on business as investors and dealers in shares, stocks and securities, capitalists, financiers, concessionaires and to undertake, carry on and execute all kinds of financial, commercial and trading operations (except banking and insurance business under Banking Regulation Act, 1949, and the Insurance Act, 1938) which may seem to be capable of being conveniently carried on and to make loans both short and long term with provision of financial software such as computer programme."

CHANGES IN MEMORANDUM OF ASSOCIATION

Following specified are the changes occurred in the Memorandum of Association of our Company:

Sr. No	Particulars	Date of Meeting	Type of meeting
1.	Clause I of the Memorandum of Association of the Company to reflect the change in name of the Company from 'Pioneer Finance & Leasing Limited' to 'Banas Finance Limited'	August 28, 1986	Extra-Ordinary General Meeting
2.	Increase in Authorised Share Capital from inception from ₹30,00,000.00/- (Rupees Thirty Lakhs) divided into 3,00,000 (Three Lakh) Equity Shares to ₹10,30,00,000.00/- (Rupees Ten Crores Thirty Lakhs Only) divided into 1,03,00,000 (One Crore Three Lakh) Equity Shares	September 04, 2010	Extra-Ordinary General Meeting

Sr. No	Particulars	Date of Meeting	Type of meeting
3.	Sub-division of equity shares from face value of ₹10.00/- (Rupees Ten Only) to ₹1.00/- (Rupee One Only) comprising of 10,30,00,000 (Ten Crores Thirty Lakhs) equity shares of face value of ₹1.00/- (Rupee One Only)	August 16, 2011	Extra-Ordinary General Meeting
4.	Increase in Authorised Share Capital from inception from ₹10,30,00,000.00/- (Rupees Ten Crores Thirty Lakhs Only) comprising of 10,30,00,000 (Ten Crores Thirty Lakhs) equity shares of face value of ₹1.00/- (Rupee One Only) to ₹12,30,00,000.00/- (Rupees Twelve Crores Thirty Lakhs Only) comprising of 12,30,00,000 (Twelve Crores Thirty Lakhs) equity shares of face value of ₹1.00/- (Rupee One Only)	March 14, 2013	Extra-Ordinary General Meeting
5.	Consolidation of equity shares from face value of ₹1.00/- (Rupee One Only) to face value of ₹10.00/- (Rupees Ten Only) comprising of 1,23,00,000 (One Crore Twenty-Three Lakhs) Equity Shares	August 30, 2017	Annual General Meeting
6.	Increase in Authorized Share Capital from inception from ₹12,30,00,000.00/- (Rupees Twelve Crores Thirty Lakhs Only) comprising of 1,23,00,000 (One Crore Twenty-Three Lakhs) Equity Shares to ₹51,30,00,000.00/- (Rupees Fifty-One Crores Thirty Lakhs Only) comprising of 5,13,00,000 (Fifty-One Crore Thirteen Lakhs) Equity Shares pursuant to scheme of amalgamation order passed by Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated July 29, 2020, for merger of Proaim Enterprises Limited, Axon Ventures Limited, Rockon Enterprise Limited, with Banas Finance Limited.	August 30, 2017	National Company Law Tribunal, Mumbai Bench vide its order dated July 29, 2020

OUR MANAGEMENT

BOARD OF DIRECTORS

As on date of this Letter of Offer, our Company currently has 6 (Six) directors on its Board, 1 (One) managing director, 3 (Three) Independent directors. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act and SEBI (LODR) Regulations, to the extent applicable.

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

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age	Other directorships
Amit Gulecha		42 years	Nil
Designation	Executive Director and Managing Director;		
Address	A//104, Pramukh Heights Co-operative Housing Society Limited, 48 Amboli Hills, Veera Road, Andheri (West), Mumbai – 400058, Maharashtra, India		
Occupation	Professional		
Term	September 03, 2014, till date		
Period of Directorship	Liable to retire by Rotation		
Nationality	Indian		
Date of Birth	July 30, 1979		
DIN	06964404		
Girraj Kishor Agrawal		57 years	1. Imagine Entertainment And Media Private Limited 2. Agrawal Bullion Limited 3. Handful Investrade Private Limited 4. Tilak Ventures Limited
Designation	Executive Director;		
Address	3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri (West), Azad Nagar, Mumbai – 400053, Maharashtra, India		
Occupation	Professional		
Term	Not Applicable		
Period of Directorship	Liable to retire by rotation		
Nationality	Indian		
Date of Birth	May 19, 1964		
DIN	00290959;		
Tanu Girraj Agrawal		53 years	1. Tilak Ventures Limited 2. Handful Investrade Private Limited 3. Agrawal Bullion Limited
Designation	Executive Director* *(Subject to being in receipt of shareholders approval)*		
Address	3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri(W), Mumbai – 400053, Maharashtra, India		
Occupation	Business		

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age	Other directorships
Term *Period of Directorship* *Nationality* *Date of Birth* *DIN*	July 13, 2010 till date Liable to retire by rotation; Indian October 04, 1968 00290966		
Chirag Goyal *Designation* *Address* *Occupation* *Term* *Period of Directorship* *Nationality* *Date of Birth* *DIN*	 Non-Executive Independent Director 201, Vaibhav Apartments, Adarsh Colony, Sumerpur, Pali – 306902, Rajasthan, India Professional December 31, 2020, till date Not liable to retire by rotation; Indian November 25,1993 09013570	28 years	1. Tilak Ventures Limited
Vikas Kulhariya *Designation* *Address* *Occupation* *Term* *Period of Directorship* *Nationality* *Date of Birth* *DIN*	 Non-Executive and Independent Director Ward No. 12, Loharwara, Lorwara Sikar – 332708, Rajasthan, India Professional December 31, 2020, till date Not liable to retire by rotation; Indian September 12, 1995 09014921	26 years	1. Tilak Ventures Limited
Pratham Jethliya *Designation* *Address* *Occupation* *Term* *Period of Directorship* *Nationality* *Date of Birth* *DIN*	 Additional Non-Executive and Independent Director 3 Kabhir Colony, Bhilwara Road Chittaurgarh - 312001, Rajasthan India Professional May 28, 2022, till date Not liable to retire by rotation; Indian September 21, 2000 09600191	22 years	1. Tilak Ventures Limited

Past Directorships in suspended companies

None of our Directors are, or were a director of any listed company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this Letter of Offer.

Past Directorships in delisted companies

Further, none of our directors are or were a director of any listed company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this Letter of Offer.

Relationship between Directors

As on the date of this Letter of Offer, except Girraj Kishor Agrawal being married to Tanu Giriraj Agarwal, none of the other Directors are related to each other.

Arrangement or understanding with major Shareholders, customers, suppliers, or others

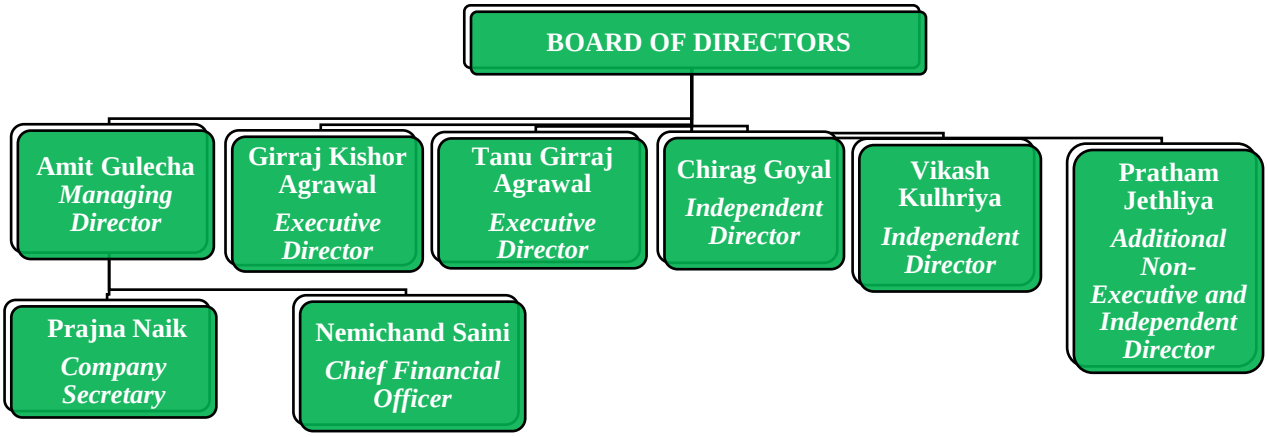
Our Company has not entered any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered any service contracts with the present Board of Directors for providing benefits upon termination of employment.

SENIOR MANAGEMENT AND KEY MANAGERIAL PERSONNEL

Status of Key Managerial Personnel		Age (Years)
Amit Gulecha		42 years
Designation	Executive Director and Managing Director;	
Address	A//104, Pramukh Heights CHS Ltd. 48 Amboli Hills, Veera Road, Andheri West, Mumbai-400058, Maharashtra, India.	
Date of Appointment	September 03, 2014, till date	
Nationality	Indian;	
Educational Qualification	Professional Chartered Accountant	
Nemichand Siani		29 years
Designation	Chief Financial Officer	
Address	Chirana, Jhunjhunun – 333303, Rajasthan, India	
Date of Appointment	February 14, 2020	
Nationality	Indian	
Educational Qualification	Graduate	
Prajna Naik		36 years
Designation	Company Secretary;	
Address	702 Aaditya Apartment, Yashwant nagar, R.R. Kamble Road, Vakola Santacruz East Mumbai – 400055, Maharashtra, India	
Date of Appointment	April 15,2019	
Nationality	Indian	
Educational Qualification	Company Secretary	


BOARD OF DIRECTORS
Amit Gulecha
Managing Director
Girraj Kishor Agrawal
Executive Director
Tanu Girraj Agrawal
Executive Director
Chirag Goyal
Independent Director
Vikash Kulhriya
Independent Director
Pratham Jethliya
Additional Non-Executive and Independent Director
Prajna Naik
Company Secretary
Nemichand Saini
Chief Financial Officer

FINANCIAL STATEMENTS THE FINANCIAL YEAR ENDING MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements)

We have audited the accompanying Statement of Consolidated Financial Results of BANAS FINANCE LIMITED and its associate (associate Company Tilak Ventures Limited together referred to as ' the Group') for the twelve months ended 31 st March, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In our opinion and to the best of our information and according to the explanations given to us and based on the considerations of reports of other auditors on separate audited financial statements of associate, the Consolidated Financial results for the year ended March 31,2022

a. include the annual financial results of Tilak Ventures Limited (associate)
b. are presented in accordance with the requirements of the Listing Regulations; and
c. gives a true and fair view in conformity with the recognition and measurements principles laid down in the Indian accounting standards prescribed under section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian accounting standards) Rules, 2015as amended, ("Ind AS") and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

Basis for Opinion
We conducted our audit of Statement in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results under the provisions of the Act and the Rules there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw your attention to the uncertainties and the management's assessment of the financial impact due to the lockdown's and other restrictions and conditions related to the Covid -19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon the circumstances as they evolve. Our opinion is not modified in respect of the matter.

Management's Responsibilities for the Consolidated Financial Results
This Statement is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended 31st March, 2022 have been compiled from the related audited Consolidated Financial Statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results year ended 31st March, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with Indian accounting standards prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and of disclosures made by the Board of Directors in terms of the requirements specified under the Listing Regulations.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Results, including the disclosures, and whether the Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Consolidated Financial Results of the company to express an opinion on the Consolidated Financial Results.

Materiality is the magnitude of misstatements in the consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Results may be influenced. WE consider quantitative materiality and qualitative factors in (i) planning the scope of our audit report and in evaluating the results of our works; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Results. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The statement includes the results for the quarter ended 31 st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. our report is not modified in respect of this matter.

The company is engaged in the business of financial services i.e Lending and trading in securities. Securities held for trading in securities of Rs.8,67,56,689/- (Previous Year Rs. 3,77,80,950/-) is disclosed as other financial assets. Revenue from operations include Rs.9,49,70,331/- (Previous Year Rs. 91,24,047/-) from sale of securities. Purchase of Rs.13,59,74,407/- (Previous Year Rs. 1,25,47,627/-) in statement of profit and loss account is of securities held for trading. Change in securities held for trading is disclosed in statement of profit and loss.

Our opinion is not modified in respect of these matters.

For M/s. Pravin Chandak & Associates
Chartered Accountants
(FRN No: 116627W)

CA Nishant Sampat
(Partner)
(Membership No: 134410)
Place :Mumbai
Date: 28th May, 2022
UDIN: 22134410AJUGK05216

BANAS FINANCE LIMITED
Regd. Off.: E-109, CRYSTAL PLAZA,
NEW LINK ROAD, ANDHERI (W), MUMBAI -400 053
Email - banasfin@gmail.com | Website: www.banasfinance.wordpress.com

CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER & YEAR ENDED 31st MARCH 2022
BSE CODE : 509053

Sr. No.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2022	31.12.2021	31.03.2021	31.03.2022	31.03.2021
		Audited	Unaudited	Audited	Audited	Audited
						(In Lakhs)
1	**Income**					
	Revenue from operations					
(i)	Interest Income	-58.79	134.81	65.29	376.50	453.69
(ii)	Dividend Income	1.06	4.12	0.41	6.15	0.41
(iii)	Fees and commission Income	-	-	9.74	-	9.74
(iv)	Net gain on derecognition of financial instruments under amortised cost category	-	-		-	-
(v)	Sale of shares & products (including Excise Duty)	246.61	573.69	-27.33	937.47	91.24
(vi)	Sale of services	-	-	9.52	0.00	9.52
	Other revenue from operations					
(i)	Other income	-	4.90	86.77	302.22	3.84
(ii)	Net gain on fair value changes	89.42	5097.73	878.55	8424.59	878.55
(iii)	Bad Debts Recovered	-	35.00	-	35.00	0.00
	Total other revenue from operations	89.42	5137.63	965.32	8761.81	882.39
	Total Revenue From Operations	**188.87**	**712.62**	**57.63**	**1320.12**	**564.60**
	Total income	**278.29**	**5850.25**	**1022.95**	**10081.93**	**1446.99**
2	**Expenses**					
	Cost of materials consumed					
	Purchases of stock-in-trade	251.85	747.51	125.48	1359.74	125.48
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	-22.59	-219.54	-52.58	-489.76	-52.58
	Employee benefit expense	10.15	8.97	29.65	34.71	29.65
	Finance costs	4.95	1.91	25.31	10.93	25.31
	Depreciation, depletion and amortisation expense	0.05	0.05	0.22	0.22	0.22
	Fees and commission expense	-	-	-	-	-
	Net loss on fair value changes	-	-	-	-	-
	Net loss on derecognition of financial instruments under amortised cost category	-	-	-	-	-

	Impairment on financial instruments	-4.01	-71.16	-43.01	-176.18	-43.01
3	**Other expenses**					
	Bad Debts	8.55	69.66	349.57	152.05	349.57
	Other Expenditure	9.34	8.04	57.71	26.25	57.71
	Total other expenses	**17.89**	**77.69**	**407.28**	**178.30**	**407.28**
	Total expenses	**258.29**	**545.43**	**492.35**	**917.96**	**492.35**
4	**Total profit before exceptional items and tax**	**19.99**	**5304.82**	**530.60**	**9163.97**	**954.64**
	Exceptional items					
	Total profit before tax	**19.99**	**5304.82**	**530.60**	**9163.97**	**954.64**
5	**Tax expense**					
	Current tax	51.00	-	7.57	51.00	7.57
	Deferred tax	2176.38	-	-174.69	2176.38	-174.69
	Tax of earlier years	0.00	-	0.00	0.00	0.00
6	**Total tax expenses**	**2227.38**	**-**	**-167.12**	**2227.38**	**-167.12**
	Net movement in regulatory deferral account balances related to profit or loss and the related deferred tax movement	-	-	-	-	-
7	**Net Profit Loss for the period from continuing operations**	**-2207.39**	**5304.82**	**697.72**	**6936.59**	**1121.76**
	Profit (loss) from discontinued operations before tax	-	-	-	-	-
	Tax expense of discontinued operations	-	-	-	-	-
8	**Net profit (loss) from discontinued operation after tax**	**-**	**-**	-	-	-
	Share of profit (loss) of associates and joint ventures accounted for using equity method	-14.43	-21.82	44.15	-18.81	44.15
9	**Total profit (loss) for period**	**-2221.82**	**5283.00**	**741.87**	**6917.79**	**1165.91**
	Other comprehensive income net of taxes	-25.71	6.14	12.16	-11.58	12.16
10	**Total Comprehensive Income for the period**	**-2247.53**	**5289.14**	**754.03**	**6906.21**	**1178.07**
11	**Total profit or loss, attributable to**					
	Profit or loss, attributable to owners of parent	-	-	-	-	-
	Total profit or loss, attributable to non-controlling interests	-	-	-	-	-
12	**Total Comprehensive income for the period attributable to**					
	Comprehensive income for the period attributable to owners of parent	-	-	-	-	-
	Total comprehensive income for the period attributable to owners of parent non-controlling interests	-	-	-	-	-
13	**Details of equity share capital**					
	Paid-up equity share capital	2564.87	2564.87	2564.87	2564.87	2564.87
	Face value of equity share capital	10.00	10.00	10.00	10.00	10.00

14	**Details of debt securities**	-	-	-	-	-
15	**Reserves excluding revaluation reserve**	-	-	-	13,583.27	6,733.37
16	**Earnings per share**					
i	**Earnings per equity share for continuing operations**					
	Basic earnings per share from continuing operations	-8.76	20.62	2.72	26.93	4.59
	Diluted earnings per share from continuing operations	-8.76	20.62	2.72	26.93	4.59
ii	**Earnings per equity share for discontinued operations**					
	Basic earnings per share from discontinued operations	-	-	-	-	-
	Diluted earnings per share from discontinued operations	-	-	-	-	-
iii	**Earnings per equity share**					
	Basic earnings per share	-8.76	20.62	2.72	26.93	4.59
	Diluted earnings per share	-8.76	20.62	2.72	26.93	4.59
17	Debt equity ratio	-	-	-	-	-
18	Debt service coverage ratio	-	-	-	-	-
19	Interest service coverage ratio	-	-	-	-	-

Notes:

1. The above Consolidated Financial Results were reviewed and recommended by the Audit Committee and subsequently approved by the Board of Directors at their meeting held on 28/05/2022

2. The Statutory Auditors of the company have carried out the audit for the Year ended on March 31, 2022.

3. These financial results have been prepared in accordance with the requirements of Regulations 33 and Regulations 52 read with Regulation 63 of the listing regulations, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 (and CIR/IMD/DF 1/69/2016 dated 10 August 2016 and is in conformity with the applicable Indian Accounting Standards (‘Ind AS’) prescribed under Section 133 of the Companies Act, 2013 (the Act’), read with relevant rules issued there-under, and other accounting principles generally accepted in India.

4. These Financial Results have been prepared in accordance with Division [I of Schedule III, the format for financial statements of Non-Banking Financial Companies, as defined in the Companies (Indian Accounting Standards) (Amendments) Rules 2016 read with section 133 of the Companies Act, 2013.

5. The holding of Banas Finance Limited in Tilak Ventures Limited as on 31st March, 2022 is 4,21,00,000 fully paid up and 6,61,00,000 partly paid up shares totalling to 48.12% of the total capital Thus Tilak Ventures Limited is the Associate of the Banas Finance Ltd and therefore we are submitting Consolidated Audited Financial Results for 31st March, 2022.

6. The figures for the previous periods / year are re-classified / re-arranged / re-grouped , wherever necessary, to confirm current period classification.

7. The Taxation Laws (Amendment) Ordinance, 2019 contained substantial amendments in the Income Tax Act 1961 and the Finance (No.2) Act, 2019 had provided an option to domestic companies to pay income tax at a concessional rate. The Company had elected to apply the concessional tax rate. Accordingly, the Company has recognized the

provision for income tax and re-measured the net deferred tax liabilities at concessional rate from the financial year 2019-20.

8. This Result is available on company Website www.banasfinance.wordpress.com as well as BSE website www.bseindia.com

9. Investor Complaint for the Quarter Ended 31/03/2022. Opening - 0, Received -0, Resolved -0, Closing - 0.

Independent Auditor's Report

To the Members of
Banas Finance Limited

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **Banas Finance Limited** ("the Company") and its associate company, which comprise the balance sheet as at 31st March 2022, the statement of profit and loss, statement of changes in equity and the cash flow statement for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred as "Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act,2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2022, and profit/loss, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statement.

Emphasis of Matter

We further draw an attention to the uncertainties and the management's assessment of the financial impact due to the lockdowns and other restrictions and conditions related to the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements for the financial year ended 31st March 2022. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
(A) Impairment of financial assets (expected credit losses)	
Ind AS 109 requires the Company to recognize impairment loss allowance towards its financial assets (designated at amortized cost and fair value through other comprehensive income) using the expected credit loss (ECL) approach. Such ECL allowance is required to be measured considering the guiding principles of Ind AS 109 including: • unbiased, probability weighted outcome under various scenarios; • time value of money; • impact arising from forward looking macro-economic factors and; • Availability of reasonable and supportable information without undue costs. Applying these principles involves significant estimation in various aspects, such as: • grouping of borrowers based on homogeneity by using appropriate statistical techniques; • staging of loans and estimation of behavioral life; • determining macro-economic factors impacting credit quality of receivables; • Estimation of losses for loan products with no/minimal historical defaults. Considering the significance of such allowance to the overall financial statements and the degree of estimation involved in computation of expected credit losses, this area is considered as a key audit matter.	• We read and assessed the Company's Accounting policies for impairment of financial assets and their compliance with Ind AS 109. • We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation. • Tested the ECL model, including assumptions and underlying computation. • Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults. • Audited disclosures included in the Consolidated Ind AS financial statements in respect of expected credit losses.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Consolidated Ind AS financial statements and our auditors' report thereon.

Our opinion on the Consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the Consolidated Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial

statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Ind AS Financial Statements, including the disclosures, and whether the Consolidated Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we are required to determine those matters that were of most significance in the audit of the Consolidated Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes

public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The Company is engaged in the business of financial services i.e. lending and trading in securities. Inventories disclosed under the head "Other Financial Assets" and its related details are as follows:

Securities held for trading of Rs.8,67,56,689/- (Previous Year Rs.3,77,80,950/-) is disclosed as other financial assets. Revenue from operation includes Rs.9,49,70,331/- (Previous year Rs.91,24,047/-) from sale of securities. Purchase of Rs.13,59,74,407/- (Previous year Rs.1,25,47,627/-) in statement of profit and loss account is of securities held for trading. Change in securities held for trading is disclosed in statement of profit and loss.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

With respect to matters specified in paragraph 3 and 4 of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act according to the information and explanations given to us, and based on the CARO report issued by us for the holding company and taking into consideration the reports of financial statements of associates included in consolidated financial statements of holding company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in aforesaid CARO reports.

As required by Section 143 (3) of the Act, we report that:

(a) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(b) the balance sheet, the statement of profit and loss, cash flow statement and statement of change in equity dealt with by this Report are in agreement with the books of account.

(c) in our opinion, the aforesaid Consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;

(d) on the basis of the written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

(e) with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position in the aforesaid Consolidated financial statements.

ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The company is not liable to transfer any amounts to the Investor Education and Protection Fund. Therefore, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (i) The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(iii) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

For Pravin Chandak & Associates
Chartered Accountants
Firm's registration number: 116627W

Sd/-
Nishant Sampat
Partner
Membership number: 134410
Mumbai
Date: 28-06-22

Annexure A to the Auditor's Report-31st March 2022

Report on the Internal Financial Controls under Clause (i) of sub- section 3 of the Section 143 of the Companies Act, 2013 ('the Act)

We have audited the internal financial controls over financial reporting of **M/s Banas Finance Limited** (the company) as of 31st March, 2022 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountant of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Not on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control-based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2022.

a) The Company did not have an appropriate internal control system for granting Loans. Demand and other loans given are governed by the Board policies. Considering the close monitoring of Board no appraisal, renewal, Policies, Procedure, Committee or documents have been prescribed and executed.

b) The Company's internal control system is not commensurate to the size and scale of operation over purchase and sale of shares and inventory and for expenses incurred.

A 'material weaknesses' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the effects / possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2022 financial statements of the Company, and the material weaknesses does not affect our opinion on the financial statements of the Company.

FOR PRAVIN CHANDAK & ASSOCIATES
Chartered Accountants
Firm's registration number: 116627W

Nishant Sampat
Partner
Membership number: 134410
Place: Mumbai
Date: 28th June, 2022
UDIN: 22134410AJUGDX7280

BANAS FINANCE LIMITED			
CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022			
			Amount in Lakhs
ASSETS	**Note**	**As at March 31, 2022 Amount (Rs.)**	**As at March 31, 2021 Amount (Rs.)**
Financial Assets			
Cash and cash equivalents	**2**	1,120.15	150.46
Bank balance other than cash and cash equivalents	**3**	10.00	10.89
Loans (At Amortised Cost)	**4**	2,806.51	4,973.93
Investments	**5**	13,813	4,499.82
Other financial assets	**6**	876.32	385.88
Total Financial Assets		**18,625.93**	**10,020.97**
Non-financial Assets			
Inventories		-	-
Deferred tax assets (net)	**7**	-	208.04
Property, plant and equipment	**8**	2.53	2.75
Other non-financial assets	**9**	179.63	195.17
Total Non-financial Assets		**182.16**	**405.95**
Total		**18,808.10**	**10,426.92**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	**10**		
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises		1.92	8.27
Borrowings	**11**	689.70	1,120.40
Total Financial Liabilities		**691.61**	**1,128.67**
Non-financial liabilities			
Other Non Financial Liabilities	**12**	-	0.01
Deferred tax Liability	**13**	1,968.34	-
Total Non-Financial Liabilities		**1,968.34**	**0.01**
Equity			
Equity Share capital	**14**	2,564.87	2,564.87
Other equity	**15**	13,583.27	6,733.37
Total equity		**16,178.53**	**9,241.93**
Total		**18,808.10**	**10,426.92**
Significant Accounting Policies	**1-34**		
The accompanying notes are an integral part of financial statements			

As per Report on even date
FOR PRAVIN CHANDAK & ASSOCIATES
Chartered Accountants
Firm's registration number: 116627W
Sd/-

Nishant Sampat
Partner
Membership number: 134410
Place: Mumbai
Date: 28th May, 2022

BANAS FINANCE LIMITED			
CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022			
		Amount in Lakhs	
Particulars	**Note**	**For the Year ended 31st March 2022**	**For the Year ended 31st March 2021**
Revenue from operations			
Revenue from operations	**16**	1,191.79	532.81
Other Income	**17**	8,903.07	914.18
Total Income		**10,094.86**	**1,446.99**
Expenses			
Purchases	**18**	1,359.74	125.48
Changes in inventories of stock in trade	**19**	-489.76	-52.58
Employees benefits expense	**20**	34.71	29.65
Finance costs	**21**	10.93	25.31
Depreciation & Amortisation expenses		0.22	0.22
Impairment on financial instruments	**22**	-24.13	306.56
Other Expenses	**23**	39.19	57.71
Total expenses		**930.89**	**492.35**
PROFIT BEFORE TAX		**9,163.97**	**954.64**
Tax expenses			
Current Tax		51.00	7.57
Tax of earlier years		-	-
Deferred Tax		2,176.38	-174.69
Total Tax expenses		**2,227.38**	**-167.12**
PROFIT FOR THE YEAR		**6,936.59**	**1,121.76**
Share of profit (loss) of associates and joint ventures accounted for using equity method		-18.81	44.15
TOTAL PROFIT FOR THE YEAR		**6,917.79**	**1,165.91**
Share of Other Comprehensive Income in Associate (net of tax)		-11.58	12.16
Total Comprehensive income for the year		**6,906.21**	**1,178.07**

Earning per equity share:			
Basic		26.97	4.55
Diluted		26.97	4.55
Significant Accounting Policies	**1-34**		
The accompanying notes are an integral part of financial statements			

As per our Report of Even Date
FOR PRAVIN CHANDAK & ASSOCIATES
Chartered Accountants
Firm's registration number: 116627W

Sd/-

Nishant Sampat
Partner
Membership number: 134410
Place: Mumbai
Date: 28th May, 2022

For and on behalf of Board of Directors of Banas Finance Limited

Sd/-
GirrajKishor Agrawal
(Director)
DIN:00290959

Sd/-
Amit Gulecha
(Managing Director)
DIN: 06964404

Sd/-
Prajna Naik
(Company Secretary)

Sd/-
Nemichand Saini
(CFO)

BANAS FINANCE LIMITED				
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022				
Amount in Lakhs				
Particulars	**For the year ended March 31, 2022**		**For the year ended March 31, 2021**	
Cash Flow from Operating Activities				
Profit before tax		**9,163.97**		**954.64**
Adjustment to reconcile profit before tax to net cash flows				
Depreciation	0.22		0.22	
Finance Cost	10.93		25.31	
Bad debts	152.05		349.57	
Bad debts Recovered	-35.00			
Profit on sale of Investment	-302.22			
Loss on sale of Investment	-		23.98	
Discount Allowed				
Write off	-3.00			
Write back	2.47			
Provision for Expected Credit loss	-176.18		-43.01	
Income From Alternate Investment Fund	-115.24		9.76	
Net Loss/(Gain) on fair value changes	-8,424.59	-8,890.58	-878.55	**-512.73**
Operating Profit before Working Capital Changes		**273.40**		**441.91**
Working Capital adjustments				
(Increase)/Decrease in Loans	2,194.48		481.70	
(Increase)/Decrease in Other financial assets	-484.44		-24.31	
(Increase)/Decrease in Inventory	-		7.90	
(Increase)/Decrease in Other non-financial assets	43.04		2.15	
Increase/(Decrease) in Trade payables	-6.35		0.83	
Increase/(Decrease) in Other Non Financial Liabilities	-	**1,746.72**	-8.00	**460.27**
Cash Generated From Operations		**2,020.11**		**902.18**
Income tax paid		51.00		
Net Cash from / (Used in) Operating Activities A		**1,969.11**		**902.18**
Cash Flow from Investing Activities B				
Proceed from sale of Investment	1,094.71		574.26	
Investment made during the year	-1,767.75		-2,098.97	
Purchase of Property Plant & Equipment	-		-	
Income From Alternate Investment Fund	115.24		-9.76	
Bank Deposits (More than 3 months & upto 12 months)	-		-	
Net Cash from Investing Activities B		**-557.79**		**-1,534.46**
Net Cash from Financial Activities C				

Finance cost	-10.93		-25.31	
Proceeds from borrowings	138.66		74.70	
Repayment of borrowings	-569.36		-15.00	
Net cash flow used in financing Activities		**-441.63**		**34.39**
NET (DECREASE)INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		**969.69**		**-597.88**
Cash and Cash Equivalents-Opening Balance		**150.46**		**748.34**
Cash and Cash Equivalents-Closing Balance		**1,120.15**		**150.46**

As per Report on even date
FOR PRAVIN CHANDAK & ASSOCIATES
Chartered Accountants
Firm's registration number: 116627W
Sd/-

Nishant Sampat
Partner
Membership number: 134410
Place: Mumbai
Date: **28th May, 2022**

For and on behalf of Board of Directors

of Banas Finance Limited

Sd/-
GirrajKishor Agrawal
(Director)
DIN:00290959

Sd/-
Amit Gulecha
(Managing Director)
DIN: 06964404

Sd/-
Prajna Naik
(Company Secretary)

Sd/-
Nemichand Saini
(CFO)

BANAS FINANCE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022

(A) Equity share capital				**Amount in Lakhs**
Equity share capital	**As at March 31, 2022**		**As at March 31, 2021**	
	No. of shares	**Amount**	**No. of shares**	**Amount**
Equity shares of INR. 10/- each issued, subscribed and fully paid				
Opening	2,56,48,730	2564.87	1,13,76,000	1137.60
Add: issue during the year			1,42,72,730	1427.27
Closing	**2,56,48,730**	**2564.87**	**2,56,48,730**	**2564.87**

(B) Other equity							
1) Current reporting period							**Amount in Lakhs**
Particulars	**Share application money pending allotment**	**Reserve and surplus**					**Total**
		Securities premium reserve	**Capital Reserve**	**Other reserves**			
				Statutory reserve	**General reserve**	**Retained earnings (surplus/ deficit in P and L)**	
Balance as at April 1, 2021		5,241.32	2,304.80	249.46	56.03	-1,174.55	6,677.06
Changes in accounting policy/ prior period errors							
Restated Balance as at April 1, 2021		5,241.32	2,304.80	249.46	56.03	-1,174.55	6,677.06
Profit for the year						6,936.59	6,936.59
Items of other comprehensive income for the year, net of tax							-
Remeasurement benefit of Defined Benefit Plans							-
Total comprehensive income for the year	-	5,241.32	2,304.80	249.46	56.03	5,762.04	0.14
Transferred to/ (from)				1,394.41		-1,394.41	-
Any other changes							-
Balance as at March 31, 2022		**5,241.32**	**2,304.80**	**1,643.88**	**56.03**	**4,367.63**	**13,613.65**

2) Previous reporting period							
Particulars							**Amount in Lakhs**
Particulars	**Share application money pending allotment**	**Reserve and surplus**					**Total**
		Securities premium reserve	**Capital Reserve**	**Other reserves**			
				Statutory reserve	**General reserve**	**Retained earnings (surplus/ deficit in P and L)**	
Balance as at April 1, 2021		5,241.32	2,304.80	25.11	56.03	-2,071.96	5,555.30
Changes in accounting policy/ prior period errors							-
Restated Balance as at April 1, 2020		5,241.32	2,304.80	25.11	56.03	-2,071.96	5,555.30
Profit for the year						1,121.76	1,121.76
Items of other comprehensive income for the year, net of tax							-
Remeasurement benefit of Defined Benefit Plans							-
Total comprehensive income for the year	-	5,241.32	2,304.80	25.11	56.03	-950.20	6,677.06
Transferred to/ (from)				224.35		-224.35	-
Any other changes							-
Balance as at March 31, 2021		**5,241.32**	**2,304.80**	**249.46**	**56.03**	**-1,174.55**	**6,677.06**

As per Report on even date
FOR PRAVIN CHANDAK & ASSOCIATES
Chartered Accountants
Firm's registration number: 116627W
Sd/-

Nishant Sampat
Partner
Membership number: 134410
Place: Mumbai
Date: **28th May, 2022**

For and on behalf of Board of Directors of Banas Finance Limited

Sd/-
GirrajKishor Agrawal
(Director)
DIN:00290959

Sd/-
Amit Gulecha
(Managing Director)
DIN: 06964404

Sd/-
Prajna Naik
(Company Secretary)

Sd/-
Nemichand Saini
(CFO)

Banas Finance Limited

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR PERIOD 31.03.2022

Note:- 1

A) Basis of preparation of Financial Statements

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company is required to prepare its Consolidated Financial Statements as per the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Accounting Standards) Amendment Rules, 2016 with effect from 1st April, 2016. Accordingly, the Company has prepared these Consolidated Financial Statements which comprise the Consolidated Balance Sheet as at 31st March, 2022, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended 31st March, 2022, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Consolidated Financial Statements").

B) Basis of measurement

The Ind AS Consolidated Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, which are measured at fair value.

C) Going Concern Assumption:-

The Consolidated Financial Statements have been prepared assuming entity will be able to continue its operation in near foreseeable future and there is no material circumstances casting doubt over going concern ability of company and neither management intends to liquidate its operation. Though company has accumulated loss, management has made sufficient viable plan to overcome such situation in future and the plan appears to be promising to validate the going concern assumption.

D) Inventory valuation

Cost of inventories includes cost of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price for inventories in the ordinary course of business less all estimated costs of completion and estimated costs necessary to make the sale.

E) Use of Estimates

The preparation of the Consolidated Financial Statements requires that the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the Consolidated Financial Statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the Consolidated Financial Statements is made relying on these estimates. ii) The estimates and judgements used in the preparation of the Consolidated Financial Statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors(including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Actual results may differ from these estimates under different assumptions and conditions. Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements.

F) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

G) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

H) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when an enterprise has a present obligation as a result of past event it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Possible future obligations or present obligations that may but will probably not require outflow of resources or where the same cannot be reliably estimated, is disclosed as contingent liabilities in the notes to accounts of Consolidated Financial Statements.

I) Property, plant and equipment (PPE) and Intangible assets

Tangible Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes, substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress includes expenditure incurred till the assets are put into intended use.

Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortisation / depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use and net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets.

a) Depreciation

Depreciation on tangible assets is provided using the Straight Line Method over the useful lives of the assets estimated by the Management. Depreciation for the assets purchased / sold during the year is proportionately charged as prescribed in Schedule II to the Companies Act, 2013. Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, commencing from the date the asset is available to the Company for its use.

b) Impairment of assets

The carrying amounts of assets are reviewed at each balance sheet dates and if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, then such loss is reversed and the asset is restated to extent of the carrying value of the asset that would have been determined (net of amortization / depreciation), had no impairment loss been recognized. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

J) Investments

Investments that are readily realizable and intended to be held for not more than one year are classified as current investments. All other investments are classified as long-term investments. The investments have been valued at fair value in compliance with the Indian Accounting Standards

K) Taxation

Tax expense comprises of current income tax and deferred income tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively

enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. Minimum Alternative Tax (MAT) credit is recognised as an asset and carried forward only if there is a reasonable certainty of it being set off against regular tax payable within the stipulated statutory period.

L) Financial instruments

A financial instrument is defined as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Trade receivables and payables, loan receivables, investments in securities and subsidiaries, debt securities and other borrowings, preferential and equity capital etc. are some examples of financial instruments. All the financial instruments are recognised on the date when the company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Group recognises the financial instruments on settlement date.

"(i) Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity. Few examples of financial assets are loan receivables, investment in equity and debt instruments, trade receivables and cash and cash equivalents.

Initial measurement

All financial assets are recognised initially at fair value including transaction costs that are attributable to the acquisition of financial assets except in the case of financial assets recorded at FVTPL where the transaction costs are charged to profit or loss."

"Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as Equity instruments designated at FVOCI

All equity investments in scope of Ind AS 109 ‘Financial instruments’ are measured at fair value. The company has strategic investments in equity for which it has elected to present subsequent changes in the fair value in OCI. The classification is made on initial recognition and is irrevocable.

All fair value changes of the equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, even on sale of investments. Equity instruments at FVOCI are not subject to an impairment assessment."

"Impairment of financial assets

Expected credit loss (ECL) are recognised for financial assets held under amortised cost, and certain loan commitments.

Financial assets where no significant increase in credit risk has been observed are considered to be in ‘stage 1’ Financial assets that are considered to have significant increase in credit risk are considered to be in ‘stage 2’ and those which are in default or for which there is an objective evidence of impairment are considered to be in ‘stage 3’. ECL is recognised for stage 2 and stage 3 financial assets.

In the event of a significant increase in credit risk, allowance (or provision) is required for ECL towards all possible default events over the expected life of the financial instrument (‘lifetime ECL’).

Financial assets (and the related impairment loss allowances) are written off in full, when there is no realistic prospect of recovery."

"Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether the loan is otherwise considered to be in default."

"(b) Significant increase in credit risk (stage 2)

An assessment of whether credit risk has increased significantly since initial recognition is performed at each reporting period by considering the change in the risk of default of the loan exposure."

"(c) Without significant increase in credit risk since initial recognition (stage 1)
ECL resulting from default events that are possible in the next 12 months are recognised for financial instruments in stage 1. The Company has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using application/behaviourial score cards and other performance indicators, determined statistically."

"(d) Measurement of ECL
The assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about past events, current conditions and reasonable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL takes into account the time value of money. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro economic factors. The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR. l Determination of PD is covered above for each stages of ECL. l EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities. l LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money."

M) Revenue recognition
Interest and related income
Interest and related income Interest income, for all financial instruments measured either at amortised cost or at fair value through other comprehensive income, is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset.

Dividend income
Dividend income is recognised when the Company's right to receive the payment is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably. This is generally when hareholders approve the dividend.

Sale of Securities held for trading
Company recognizes revenue to depict the transfer of promised goods to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. The Company recognizes revenue from the sale of goods measured at the fair value of the consideration received or receivable.

BANAS FINANCE LIMITED			
Notes forming part of the Accounts for the year ended 31st March 2022			
			Amount in Lakhs
Note No.	**Particulars**	**As at March 31st, 2022**	**As at March 31st, 2021**
2	***Cash and Cash equivalents***		
	Balance with banks		
	- Current Account	81.94	73.50
	Cash on Hand	9.29	23.42
	Bank deposit with maturity of less than 3 months	1,028.92	53.54
		1,120.15	**150.46**
3	***Bank balance other than cash and cash equivalents***		
	Bank Deposits (More than 3 months & upto 12 months)	10.00	10.89
		10.00	**10.89**
4	***Loans (At Amortised Cost)***		
	(A) Loans (Repayable on demand)		
	Loan	3,029.24	5,372.85
	Less: Impairment Loss Allowance	-222.74	-398.92
		2,806.51	**4,973.93**
	(B) Out of above		
	(i) Secured		
	(ii) Unsecured (Repayable on demand)		
	Loans considered Good	2,762.32	4,781.02
	(a)		**-**
	Loans considered Doubtful	266.92	591.82
	Less: Impairment Loss Allowance	-222.74	-398.92
	(b)	44.19	192.90
	Total (a + b)	44.19	192.90
	(C) Out of above		
	(i) Public Sector (c)		**-**
	(ii) Others	3,029.24	5,372.85
	Less: Impairment Loss Allowance	-222.74	-398.92
	(d)	2,806.51	4,973.93
	Total (c + d)	2,806.51	4,973.93
		2,806.51	**4,973.93**
5	***Investments***		
	Investments in India (a)		
	Equity Instruments		
	(i) Quoted Shares	11,330.41	1,381.58
	(ii) Un-Quoted Shares	1,313.05	1,313.05
	Preferecne Instruments	0.18	480.46
	Alternate Investment Fund	294.33	349.18

	Gold	-	100.55
	Property	875.00	875.00
	Total		
	Investments outside India (b)		
	Total (a+b)	**13,812.96**	**4,499.82**

6	***Other financial assets***	**Amount in lakhs**	
	Particulars	**As at 31/03/2022**	**As at 31/03/2021**
	Securities held for trading	867.57	377.81
	Other receivable(includes trade receivable)	8.75	8.07
		876.32	385.88
	OUT OF WHICH		
	Trade receivable		

	As at 31 March 2022						**Amount in lakhs**
	Particulars	**Outstanding for following periods from due date of payment**					
		Less than 6 months	**6 Months - 1 Year**	**1 year-2 year**	**2 year - 3 year**	**More than 3 years**	**Total**
	(i) Undisputed Trade receivables considered good	0.08	-	-	-	-	0.08
	(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
	(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

	As at 31 March 2021						**Amount in lakhs**
	Particulars	**Outstanding for following periods from due date of payment**					
		Less than 6 months	**6 Months - 1 Year**	**1 year-2 year**	**2 year - 3 year**	**More than 3 years**	**Total**
	(i) Undisputed Trade receivables considered good	3.45	-	-	-	-	3.45
	(ii) Undisputed Trade Receivables considered doubtful	-	-	1.94	-	-	1.94
	(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-

	(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-

BANAS FINANCE LIMITED			
Notes forming part of the Accounts for the year ended 31st March 2022			
Note No.	**Particulars**	**As at March 31st, 2022**	**As at March 31st, 2021**
7	***Deferred tax assets (net)***		
	The Balance Comprises Temporary difference attributable to		
	Tax Losses		208.04
	FV Change		
		-	**208.04**
9	***Other non-financial assets***		
	Balance with statutory/government authorities	179.63	195.17
		179.63	**195.17**
11	***Borrowings***		
	At amortised cost		
	Unsecured Loan Repayable on Demand	689.70	1,120.40
		689.70	**1,120.40**
12	***Other Non Financial Liabilities***		
	Duties and Taxes payable	-	0.01
		-	**0.01**
13	***Deferred tax liabilty***		
	The Balance Comprises Temprory difference attributable to		
	Tax Losses	40.29	
	FV Change	1,927.55	
	Accelerated depreciation	0.51	-
		1,968.34	**-**
15	***Other Equity***		
	Capital Reserve		
	Balance as per last financial statements	2,304.80	2,304.80
	Less: Utilized for bonus issue/fresh equity shares		
	Add: Loss on Business Combination		
	Closing balance	**2,304.80**	**2,304.80**
	General Reserves		
	Opening Balance (As per the last Balance sheet)	56.03	56.03
		56.03	**56.03**
	Securities Premium reserve		
	Balance as per last financial statements	5,241.32	5,241.32
	Add: New Equity shares issued during the year at premium		
	Closing balance	**5,241.32**	**5,241.32**

	Statutory Reserves		
	Balance as per last financial statements	249.46	25.11
	Add: Transferred from statement of Profit and Loss	1,394.41	224.35
	Closing balance	**1,643.88**	**249.46**
	Surplus/(Deficit) in the Statement of Profit and Loss		
	Balance as per last financial statements	-1,118.24	-2,071.96
	Profit/ (loss) for the year	6,917.79	1,165.91
	Less: Net loss on Sale of investments measured at Fair Value through Profit & Loss	-	-
	Less: Transfer to statutory reserve	-1,394.41	-224.35
	Add: Share of OCI	-67.89	12.16
	Closing balance	4,337.24	-1,118.24
	Others		
	Share Pending Issuance	**-**	**-**
		13,583.27	**6,733.37**

8. PROPERTY, PLANT & EQUIPMENTS **(Amount in lakhs)**

PARTICULARS	GROSS CARRING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	1st April 2021	Addition	Deletion	31st March 2022	1st April 2021	Expenses for the year	Disposal	31st March 2022	As at 31st March 2022	As at 31st March 2021
Computers	2.35	-	-	2.35	11.21	0.12	-	11.33	2.23	2.35
Air Conditioner	0.25	-	-	0.25	0.06	0.02	-	0.08	0.23	0.25
Mobile	0.14	-	-	0.14	0.58	0.07	-	0.65	0.06	0.14
Equipments	-	-	-	-	-	-	-	-	-	-
Laptop	0.01	-	-	0.01	0.19	-	-	0.19	0.01	0.01
Total	**2.75**	**-**	**-**	**2.75**	**12.04**	**0.22**	**-**	**12.26**	**2.53**	**2.75**

NOTE 10	**Trade payables**		
		Amount in Lakhs	
	Particulars	**As at 31/03/2022**	**As at 31/03/2021**
	Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1.92	8.27
	Total	**1.92**	**8.27**

	As at 31 March 2022	**Amount in lakhs**
	Particulars	**Outstanding for following periods from due date of payment**

		Less than 1 Year months	1 year-2 year	2 year - 3 year	More than 3 years	Total
	i. MSME	-	-	-	-	-
	ii. Others	1.92	-	-	1.92	1.92
	iii. Disputed Dues- MSME	-	-	-	-	-
	iv. Disputed Dues- Others	-	-	-	-	-

	As At 31st March 2021	Amount in Lakhs				
	Particulars	Outstanding for the Following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
	i. MSME	-	-	-	-	-
	ii. Others	6.71	1.56	-	-	8.27
	iii. Disputed Dues- MSME	-	-	-	-	-
	iv. Disputed Dues- Others	-	-	-	-	-

	The details of amounts outstanding to micro enterprises, small enterprises and medium enterprises based on available information with the company is as under:		
	Particulars	**As at 31 March 2022**	**As at 31 March 2021**
	Principal amount and Interest due thereon remaining unpaid to any supplier covered under MSMED Act, 2006		
	Principal amount due to micro and small enterprises	-	-
	Interest due on above	-	-
	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-
	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Note No. 14	Particulars	Amount in Lakhs	
		As at March 31st, 2022	As at March 31st, 2021
	Equity Share capital		
	Authorised Share Capital		
	5,13,00,000 Equity Shares of Rs. 10 each	5,130.00	5,130.00
		5,130.00	**5,130.00**
	Issued, Subscribed and Paid up		
	2,56,48,730 Equity Shares of Rs. 10 each	2,564.87	2,564.87
	Total Issued, Subscribed And Fully Paid Up Share Capital	**2,564.87**	**2,564.87**

a) Reconciliation of equity share capital

Particular	As at 31st March 2022		As at 31st March 20201	
	No. of Shares	Amount in Lakhs		No. of Shares
At the beginning of the period	2,56,48,730	2,564.87	At the beginning of the period	2,56,48,730
Issued during the year			Issued during the year	
Outstanding at the end of the period	**2,56,48,730**	**2,564.87**	**Outstanding at the end of the period**	**2,56,48,730**

b) Terms and rights attached to equity shares

The Company has only one class of equity share having value of Re. 10 each with an entitlement of one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the annual general meeting. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

a) Detail of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholders	As at 31st March 2022		As at 31st March 2021	
	No. of Shares	% of holding		No. of Shares
Handful Investrade Private Limited	29,62,428	11.55%	Handful Investrade Private Limited	29,62,428
Total	**29,62,428**	**11.55%**	**Total**	**29,62,428**

Shareholding of Promoters
Shares held by promoters at the end of the year 31st March 2022

Promoter Name	No. of Shares	% of total Shares
GIRRAJ KISHOR AGRAWAL	50,965	0.20%
TANU GIRIRAJ AGARWAL	4,000	0.02%
HANDFUL INVESTRADE PRIVATE LIMITED	29,63,185	11.55%
AGARWAL BULLION LIMITED	3,83,367	1.49%
Total	**34,01,517**	**13.26%**

		Amount in lakhs	
Note No.	**Particulars**	**For the Year ended 31st March 2022**	**For the Year ended 31st March 2021**
16	Revenue from Operations		
	Sale of Securities	949.70	91.24
	Interest Income	242.09	441.57
		1,191.79	**532.81**
17	Other Income		
	Interest Income	19.17	1.66
	Interest on Income Tax Refunds	-	0.70
	Income From Alternate Investment Fund and opportunity fund	115.24	9.76
	Gain on Forex rate difference	-	2.07
	Consultancy fees	-	9.52
	Net Gain on fair value changes	8,424.59	878.55
	Other miscellaneous Income	-	0.02
	Commission & Brokerage Income	-	9.74
	Dividend Received	6.15	0.41
	Income on share trading	0.16	-
	Bad debt Recovery	35.00	-
	Profit on sale of Investment	302.22	1.75
	Sundry balance written back	0.54	-
		8,903.07	**914.18**
	Revenue from contract with customers		
	Particulars		
	Type of services		
	Interest income	242.09	441.57
	Consultancy fees		9.52
	Commission & Brokerage Income		9.74
		242.09	460.83
	Geographical Markets		
	India	242.09	460.83
	Outside India		
		242.09	**460.83**
	Timing Of revenue recognition		
	Services Transferred at a point in time	242.09	460.83
	Services transferred over time		
		242.09	**460.83**
	Contract Balances		
	Particulars		
	Service asset	2,806.51	4,973.93
18	**PURCHASE OF STOCK-IN-TRADE**		
	Purchase of Securities	1,359.74	125.48
		1,359.74	**125.48**
19	**CHANGES IN INVENTORIES OF STOCK IN TRADE**		
	Changes in Securities held for trading	-489.76	-52.58
	Changes in inventories of Stock-in-Trade	-	-

		-489.76	**-52.58**
20	**EMPLOYEES BENEFITS EXPENSES**		
	Salaries, Wages and Bonus	33.14	28.48
	Director sitting fees	1.57	1.17
		34.71	**29.65**
21	**Finance Cost**		
	Interest on borrowing	10.93	25.30
	Bank Charges	-	0.01
		10.93	**25.31**
22	**Impairment on financial instruments**		
	Expected Credit Loss	-176.18	-43.01
	Bad Debts	152.05	349.57
		-24.13	**306.56**
23	**Other Expenses**		
	Listing Fees	4.25	12.00
	Depository/Share Transfer Charges	3.27	6.71
	Transaction Charges	3.68	0.70
	Printing & Stationary	-	0.11
	Sales Promotion	1.00	1.41
	Auditor fees	1.00	1.28
	Legal & Professional	13.03	9.32
	Membership Charges	0.20	0.05
	Miscellaneous expenses	0.12	0.41
	Loss on forex rate difference	12.40	-
	Other Expenses	0.25	-
	Loss on sale of investment	-	25.73
		39.19	**57.71**

NOTE 24:- FINANCIAL RISK MANAGEMENT

(a) Risk Management Framework

In the ordinary course of business, the Company is exposed to a different extent to a variety of financial risks: foreign currency risk, interest rate risk, liquidity risk, price risk and credit risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Credit Risk

Credit risk is the risk of financial loss arising out of a customer or counterparty failing to meet their repayment obligations to the Company. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

"Classification of financial assets under various stages

The Company classifies its financial assets in three stages having the following characteristics:

Stage 1: unimpaired and without significant increase in credit risk since initial recognition;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised;

Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised."
"Unless identified at an earlier stage, all financial assets are deemed to have suffered a significant increase in credit risk.
The Company has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD) along with an adjustment considering forward macro economic conditions [for a detailed note for methodology of computation of ECL please refer to significant accounting policies note no 1(L) to the financial statements."

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio :						
Particulars	**As at 31 March 2022**			**As at 31 March 2021**		
	Unsecured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	27,62,32,109	57,91,654	2,09,00,661	47,81,02,435	2,47,78,705	3,44,03,722
Allowance for Expected credit loss		13,72,914	2,09,00,661	-	54,88,246	3,44,03,722
Expected credit loss Coverage ratio	0.00%	23.71%	100.00%	0.00%	22.15%	100.00%

Investments are reviewed for any fair valuation loss on periodically basis and necessary provision/fair valuation adjustments has been made based on the valuation carried by the management to the extent available sources, the management does not expect any investment counterparty to fail to meet its obligations.

Trade Receivable, Trade Payable, Short Term Borrowings and Short Term Loans and Advances balances are subject to confirmation and reconciliation.

(c) Liquidity Risk management

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Due to the dynamic nature of the underlying businesses, Company's treasury maintains flexibility in funding by maintaining sufficient cash and bank balances available to meet the working capital requirements. Management monitors rolling forecasts of the Company's liquidity position (comprising the unused cash and bank balances along with liquid investments) on the basis of expected cash flows. This is generally carried out at Company level in accordance with practice and limits set by the Company. These limits vary to take into account the liquidity of the market in which the Company operates.
Ultimate responsibility for liquidity risk management rests with the board of directors. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

NOTE 25:- FAIR VALUE MEASUREMENTS

a) Financial instruments by category

Amount in lakhs

PARTICULARS	**March,31, 2022**			**March,31, 2021**		
	Fair value through Profit and Loss Account	**Fair value through Other Comprehensive Income**	**Amortised cost**	**Fair value through Profit and Loss Account**	**Fair value through Other Comprehensive Income**	**Amortised cost**
Financial Assets						
Investments	11655.12		2188.22	1775.00	-	2668.51

Loans			2806.51	-	-	4973.93
Cash and cash equivalents			1120.15	-	-	150.46
Bank balance other than cash and cash equivalents			10.00	-	-	10.89
Other Financial Assets	867.57		8.75	377.81		8.07
Total	**12,522.69**		**6,133.63**	**2,152.80**		**7,811.85**
Financial Liabilities						
Trade Payables			1.92	-	-	8.27
Borrowings			689.70	-	-	1120.40
Total			**691.61**			**1,128.67**

NOTE 26: - FAIR VALUE HIERARCHY

(a) This section explains the judgments and estimates made in deterring the fair values of the financial instruments. To provide an indication about the reliability of the inputs used in determining fair value. The Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial assets and liabilities measured at fair value

Amount in lakhs

PARTICULARS	**March,31, 2022**			**March,31, 2021**		
				Level 1	**Level 2**	**Level 3**
Financial Assets						
Investments	11,655.12		2,188.22	1,775.00		2,668.51
Loans			2,806.51			4,973.93
Cash and cash equivalents			1,120.15			150.46
Bank balance other than cash and cash equivalents			10.00			10.89
Other Financial Assets	867.57		8.75	377.81		8.07
Total	**12,522.69**		**6,133.63**	**2,152.80**		**7,811.85**
Financial Liabilities						
Trade Payables			1.92			8.27
Borrowings			689.70			1,120.40
Total			**691.61**			**1,128.67**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments includes:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determinated using forward exchange rate at the balance sheet date.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All the resulting fair value estimates are included in level 2 or level 3, where the fair value have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(d) Fair value Estimations

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of Ind AS 107 "Financial Instruments:Disclosure". Fair value is defined as the amount at which the instrument could be exchanged in a current transaction between knowledgeable willing parties in a artm's length trasaction other than in forced or liquidation sale. As no readily available market exists for a large part of the Company's Financial instruments, judgement is necessary in arriving at fair value, based on current economic conditions and specific risk atributable to the instrument. The estimates presented herein are not necessarily indicative of the amount the Company could realise in a market exchange from the sale of its full holding or a particular instrument.

Dividend/Interest-bearing investments

Fair value is calculate based on discounted expected future principles and interest cash flows. The carrying amount on the Company's investment are valued at fair value on the basis of fair market rate with reference to the investment with similar credit risk level and maturity period at the reporting date.

Trade & other receivable / Payables

The management assessed that Trade Receivables, Cash and Cash equivalents, Bank Balances, Deposits, other non derivative current financial, assets, Short term borrowings,Trade payables, Non derivative Current Financial Liabilities approximate their carring amount largly due to the short-term maturities of these instruments.

There are no transfers between level 1 and level 2 during the year

NOTE 27: -	**RELATED PARTY TRANSACTIONS**	
a) List of related parties where control exists and with whom transactions have taken place and relationship		
Sr. No.	**Name of the Related Party**	**Relation**
1	Agrawal Bullion Limited	Promoter
2	Tilak Ventures Limited	Associate Company
3	Handful Investrade Pvt Ltd	Promoter
4	Rockon Capital Market Pvt Ltd	Group Company (now merged with Amaya Marketing Pvt. Ltd. W.e.f 08.07.2020)
5	Kayaguru Capital Market Pvt Ltd	Group Company (now merged with Amaya Marketing Pvt. Ltd. W.e.f 08.07.2020)
6	Amit Gulecha	Managing Director
7	Girraj Kishor Agrawal	Director & CEO
8	Tanu Girraj Kishor Agrawal	Director
9	Girraj Kishor Agrawal HUF	Relative of Director
10	Chirag Goyal	Independent Director
11	Vikash Kulhariya	Independent Director

12	Nemichand Saini	Chief Financial Officer
13	Prajna Naik	Company Secretary

b) Transaction with Related Parties:-				Amount in lakhs
Sr. No.	**Name of the Related Party**	**Nature of Transaction**	**F.Y 2021-22**	**F.Y 2020-21**
1	Tilak Ventures Ltd	Loan Given	0.50	339.00
		Loan Given Repaid	0.50	339.00
		Interest Paid	-	11.27
		Reimbursement of Expenses	0.06	
2	Handful Investrade Pvt Ltd	Loan taken	-	90.00
		Loan Repaid	-	90.00
		Interest Paid	-	2.92
3	Agrawal Bullion Limited	Loan taken	-	35.04
		Loan Repaid	-	3.51
		Interest paid	-	1.13
4	Rockon Capital Market Pvt. Ltd.	Share purchase		47.85
5	Kayaguru Capital Market Pvt Ltd	Share purchase		325.80
6	Girraj Kishor Agrawal	Reimbursement of Expenses		0.03
7	Chirag Goyal	Independent Directors	0.72	0.18
8	Vikash Kulhariya	Independent Directors	0.72	0.18
9	Nemichand Saini	Chief Financial Officer	1.68	0.68
10	Prajna Naik	Company Secretary	5.89	5.26

NOTE 28:-
EARNING PER SHARES (EPS)

Particulars	**As at 31.03.22**	**As at 31.03.21**
Profit for the year attributable to Equity Shareholders ***(Amount in lakhs)***	6,917.79	1,165.91
Weighted Average Number of Equity Shares Outstanding During The Year ***(Nos.)***	2,56,48,730	2,56,48,730
Add: Weighted average number of potential equity shares on account of amalgamation		-
Weighted average number of equity shares outstanding for dilutive EPS	2,56,48,730	2,56,48,730
Basic Per Share (Rs.)	**26.97**	**4.55**
Diluted Earnings Per Share (Rs.)	**26.97**	**4.55**
Nominal Value of Equity Share (Rs.)	10.00	10.00

NOTE 29-
EMPLOYEE BENEFITS
Provision for retirement benefits to employees was not provided on accrual basis, which is not in conformity with Ind AS19 and the amount has not been quantified because actuarial valuation report is not available. However, in the opinion of the management the amount involved is negligible and has no material impact on the Profit & Loss Account.

NOTE 30:-
LOANS AND ADVANCES
Majority of the loans given are demand loans, therefore in some cases the terms of repayment and loan agreement are not available. Non Recoverable loans are appropriatly written off as bad debts. Demand and other loans given are governed by the Board policies. Considering the close monitoring of Board no appraisal, renewal, Policies, Procedure, Committee or documents have been prescribed and executed. In 30 cases no interest has been charged. Amount of such loans as on 31st March, 2022 is Rs.19918990 /-.

NOTE 31:-
SEGMENT REPORTING
The Company's Managing director (MD) is identified as the Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however the Company is primarily engaged in only one segment viz., 'Lending and Securities Trading' and that most of the operations are in India. Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

NOTE 32:-
MICRO, SMALL AND MEDIUM ENTERPRISES
The Company has not received any intimation from any of its suppliers regarding their Status as Micro, Small and Medium Enterprise under "The Micro, Small and Medium Enterprises Development Act, 2006". Hence Disclosures, if any, relating to amounts unpaid as at the end of the year along with interest paid/payable as required under the said act is not applicable in the case of the Company.

NOTE 33:

(In Lakhs)						
Sr. No	**PARTICULARS**	**Quarter Ended**			**Year Ended**	**Year Ended**
		31.03.2022	**31.12.2021**	**31.03.2021**	**31.03.2022**	**31.03.2021**
		Audited	**Unaudited**	**Audited**	**Audited**	**Audited**
1	**Segment Revenue**					
	(a) Income from Commodity/Share Trading Business	247.66	577.81	-26.92	943.62	100.760
	(b) Income From Finance Business	-58.79	134.81	84.55	411.50	453.686
	(c) Other Operating Income	89.42	5137.63	965.32	8726.81	892.128
	Total Income from Operation	**278.29**	**5,850.25**	**1,022.95**	**10,081.93**	**1,446.574**
	Less: Inter Segment Revenue		-	-		-
	Net sales/Income From Operations	**278.286**	**5,850.253**	**1,022.950**	**10,081.929**	**1,446.574**
2	**Segment Results**					
	Profit/ Loss Before Tax and Interest from Each Segment					
	(a) Segment- Commodity/Share Trading Business	18.402	49.841	(99.820)	73.631	27.860
	(b) Segment- Finance Business	-68.284	134.401	-247.320	424.707	121.819
	Total	**(49.882)**	**184.243**	**(347.140)**	**498.338**	**149.679**
	Less: (i) Interest					
	(ii) Other unallocable Expenditure net off	19.540	17.056	87.580	61.173	87.578

	(iii) Un-allocable income	89.416	5,137.632	965.320	8,726.809	892.128
	Total Profit Before Tax	**19.99**	**5,304.82**	**530.60**	**9,163.96**	**954.229**
3	**Capital Employed**					
	(Segment Assts-Segment Liabilities)					
	(a) Commodity/Trading Business	-		-	-	-
	(b) Finance Business	16,178.525	18,386.565	3,134.140	16,178.525	9,241.934
	('C) Other Unallocable	-	-	-	-	-
	Total Capital Employed	**16,178.525**	**18,386.565**	**3,134.140**	**16,178.525**	**9,241.934**

Note 34: Ratios

	Ratios	**Numerator**	**Denominator**	**31st March, 2022**	**31st March, 2021**	**Variance**	**Reason for Change in Ration more than 25%**
a.	Current Ratio	Current Assets	Current Liabilities	27.23	9.00	202.55%	Due to Increase in Investment
b.	Debt Equity Ratio	Total Debt	shareholders' Equity	0.04	0.12	-64.84%	Due to Repayment of debts
c.	Debt Service Coverage Ratio	Earnings available for Debt	Debt Service	13.10	0.86	1430.73%	Due to increase in Fair value leading to increase in earning and Repayment of debts
d.	Return on Equity Ratio	Net Profit after Tax	Average Shareholders' Equity	0.55	0.13	322.34%	Due to increase in Fair value leading to increase in earning
e.	Inventory Turnover Ratio	Revenue	Average Inventory	Not applicable since there is no inventory		NA	
f.	Trade Receivable Turnover Ratio	Revenue	Average Trade Receivable	43.59	27.72	57.24%	Due to increase in revenue of company
g.	Trade Payable Turnover Ratio	Purchase of Goods and Services and Other Expenses	Average Trade Payable	267.03	15.98	1571.48%	Due to increase in Purchase of shares
h.	Net Capital Turnoveer Ratio	Revenue	Working Capital	0.07	0.06	11.34%	
i.	Net Profit Ratio	Net Profit	Revenue	68.71	77.52	-11.36%	
j.	Return on Capital Employed	Earning before Interest and Taxes	Capital Employed	54.39	9.46	475.15%	Due to increase in Fair value leading to increase in earning and Repayment of debts

k.	Return on Investment	Income generated from Investments	Time Weighted Average Investments	4.84	0.42	1059.89%	Due to increase in return on investment compared to previous FY and also there is capital gain during the year

NOTE 35- Provisions and contingent liabilities

Following are the income tax matters for which the assessment is in process & the company has already filed an appeal before the CIT appeal.

Assessment Year	Amount in lakhs	Remarks
AY : 2011-12	22.31	Unexplained Cash Credit u/s 68
AY : 2013-14	1.00	Listing Fees were disallowed
	1999.20	Cash Credit has been disallowed
	1.40	Income has been voluntarily added by the assesse
AY: 2015-16	14.71	Disallowance u/s 14A
	0.68	Addition u/s 68 of the Income Tax Act.
AY 2014-15	7.31	Disallowance u/s 14A
AY 2017-18	2.47	Disallowance u/s 14A
AY : 2016-17	17.47	Disallowance u/s 14A
	26.32	Disallowance on Sale of Shares
	0.53	Unexplained Expenses has been added

	Amount in Lakhs	
Particulars	**FY 21-22**	**FY 20-21**
Investments :-		
Non Trade Investments (at amortised cost)		
Preference Share		
12% Non Cumulative Pref Share in Astlaxmi Re Rolls Jalna Pvt Ltd	-	34.70
14% Non Con Red Pref Share KRANTI MERCANTILE PRIVATE LIMITED	0.18	59.28
7% Non Cum Convt Pref Share Ashtlaxmi	-	321.00
12% Non Con Convt Pref Share of Saptahrungi Alloy Pvt Ltd	-	65.48
Total Value of Preference Share (A)	**0.18**	**480.46**
Quoted (Fair value through Profit & Loss)		
Equity Instruments (Fully paid)		
Accentia Technologies Limited	0.40	0.12

RELIANCE ETF LIQUID BeES	0.06	0.01
RELIANCE ETF LIQUID BeES bonus	-	0.01
Toyam Enterprises Limited	-	1.31
Signrun Holding Limited	0.00	0.00
Tilak Ventures Limited	5,338.28	1,323.34
Sikozy Realtors Ltd.	0.34	0.47
GOLD BAR	-	100.55
Equity Instruments (Partly paid)		
Tilak Ventures Limited	6,021.71	-
Total value of investment in associate-Tilak ventures Limited	11359.99	1323.34
ADD: Share in total comprehensive income (loss)	-30.39	56.31
Total Value of Quoted Investments (B)	**11330.41**	**1381.58**
Unquoted (at amortised cost)		
Equity Shares (fully paid)		
Kayaguru Capital Markets Private Limited *	-	287.67
Rockon Capital Markets Private Limited *	-	279.95
Amaya Marketing Private Limited * (Kayaguru capital Markets Private Limited and Rockon Capital Market Private Limited were Merged with Amaya Marketing Private Limited)	567.61	-
Handful Invstrade Pvt. Ltd.	144.25	144.25
Agrawal Bullion Limited	601.19	601.19
Total Value of Unquoted Investments ('C)	**1,313.05**	**1,313.05**
Alternate Investment Fund		
Edelweiss Crossover opportunities fund	208.50	267.57
ICICI prudential office yield	85.83	81.61
Total Alternate Investment Fund (D)	**294.33**	**349.18**
Total Investments (A+B+C+D)	**12,968.35**	**3,568.50**

ACCOUNTING RATIOS

The following tables present certain accounting and other ratios derived from the Unaudited standalone and consolidated Financial Information for the Half year ended September 30, 2021, and Audited Financial Years ending March 31, 2022, March 31, 2021, and March 31, 2020. For further details please refer to the section titled ***'Financial Statements'*** beginning on page 72 of this Letter of Offer.

ACCOUNTING RATIOS

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Basic and diluted earnings per Equity Share (₹)	₹26.93/-	₹4.37/-	₹1.05/-
Return on Net Worth (%)	8.16%	6.72%	11.02%
Net Asset Value per Equity Share (₹)	₹62.96/-	₹36.25/-	₹67.94/-
EBITDA (₹)	₹ 9,156.32	992.11	228.47

The formula used in the computation of the above ratios are as follows:

Particular	Computation of Formulas
Basic earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares);
Diluted earnings per Equity Share (₹)	(Net Profit after Tax as per Statement of Profit and Loss attributable to Equity Shareholders after exceptional item, as applicable) / (Weighted Average number of Equity Shares (including convertible securities));
Return on Net Worth (%)	(Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (prior to other comprehensive income))/ (Net worth at the end of the year);
Net Asset Value per Equity Share (₹)	(Net Worth)/ (Number of Equity Shares outstanding for the year);
EBITDA (₹)	Profit for the year before finance costs, tax, depreciation, amortization, and exceptional items as presented in the statement of profit and loss, share of profit from associate-other income

Reconciliation of Return on Net Worth (%)

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	₹6,906.21	₹1,178.07	₹119.52
Net worth at the end of the year (₹) (B)	₹16,148.14	₹9,298.24	₹8,120.18
Return on Net Worth (%) [(A)/(B)]	**8.16%**	**6.72%**	**11.02%**

Reconciliation of Net asset value Equity Share

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Net Worth (₹) (A)	₹16,148.14	₹9,298.24	₹8,120.18
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	256.49	256.49	113.76
Net Asset Value per Equity Share (₹) [(A)/(B)]	**₹62.96/-**	**₹36.25/-**	**₹67.94/-**

Reconciliation of Net Worth

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Equity Share capital (₹) (A)	₹2,564.87	₹2,564.87	₹2,564.87
Reserves and Surplus (₹) (B)	₹13,583.27	₹6,733.37	₹6,982.58
Net Worth (₹) [(A)/(B)]	₹16,148.14	₹9,298.24	₹8,120.18

Reconciliation of EBITDA

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Audited Financial Statements for the Financial Years ending March 31,		
	2022	2021	2020
Net Profit/ (loss) after tax (₹) (A)	₹6917.79	₹1,165.91	₹177.24
Income tax expenses (₹) (B)	₹2227.38	₹(167.12)	₹36.69
Finance Cost (₹) (C)	₹10.93	₹25.31	₹51.03
Depreciation and amortization expense (₹) (D)	₹0.22	0.22	₹0.22
EBITDA (₹) (A+B+C+D)	**₹ 9,156.32**	**₹1,023.88**	**₹992.12**

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Company's Equity Shares are listed on BSE Limited; and the Right Shares issued pursuant to this Issue will be listed on BSE Limited, the Designated Stock Exchange. For further details, please refer to the section titled ***'Terms of the Issue'*** on page 143 of this Letter of Offer.

Our Company shall receive an in-principle approval for listing of the Right Shares on the BSE Limited to be issued pursuant to this Issue from BSE Limited to its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022. Our Company shall also make applications to BSE Limited to obtain trading approval for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

For the purpose of this section, unless otherwise specified:

1. Year is a Financial Year;

2. Average price is the average of the daily closing prices of the Equity Shares for the year, or the month, as the case may be;

3. High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares, as the case may be, for the year, or the month, as the case may be; and

4. In case of two days with the same high / low / closing price, the date with higher volume has been considered.

STOCK MARKET DATA OF THE EQUITY SHARES

The high, low and average prices recorded on the BSE Limited, during the preceding 3 (Three) Financial Years and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Financial Year	Date of High	High	Volume on date of High (Number of Equity Shares)	Date of Low	Low	Volume on date of low (Number of Equity Shares)	Average price for the year
2022-2023	April 05, 2022	₹58.00	2,11,701	June 17, 2022	₹25.65	1,22,845	₹39.71
2021-2022	January 21, 2022	₹146.2	5,16,915	April 26, 2021	₹4.81	7,057	₹29.92
2020-2021	March 10, 2021	₹07.65	3,015	June 03, 2021	₹0.57	2	₹3.45

Source: www.bseindia.com

The high, low, and average prices recorded on the BSE Limited, during the last 6 (Six) months and the number of the Equity Shares traded on the days of the high and low prices were recorded are as stated below:

Month for the Calendar Year 2022	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares traded
June 2022	June 02, 2022	₹33.40	4,01,537	June 17, 2022	₹25.65	1,22,845	16	1,27,205
May 2022	May 02, 2022	₹47.00	76,407	May 31, 2022	₹33.50	48,791	21	64,321

Month for the Calendar Year 2022	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)	Total number of days of trading	Average volume of Equity Shares traded
April 2022	April 05, 2022	₹58.00	2,11,701	April 29, 2022	₹45.70	1,161	19	1,31,736
March 2022	March 14, 2022	₹63.80	1,58,522	March 28, 2022	₹46	1,51,287	21	1,43,197
February 2022	February 01, 2022	₹97.4	1,46,88	February 28, 2022	₹55.25	2,21,454	20	2,16,311
January 2022	January 21, 2022	₹146.2	5,16,915	January 03, 2022	₹73.70	12,30,678	16	8,19,612

The high, low, and average volume of shares traded on the BSE Limited, during the last 4 (Four) weeks:

Week ended on	High Price (₹)	Date of High	Low Price (₹)	Date of Low	Average volume of Equity Shares traded
June 29, 2022	29.50	June 28, 2022	26.70	June 28, 2022	79,693.00
June 24, 2022	₹30.70	June 22, 2022	₹24.35	June 23, 2022	73,983.40
June 17, 2022	₹30.50	June 13, 2022	₹25.65	June 17, 2022	92,001.00
June 10, 2022	₹30.00	June 06, 2022	₹26.80	June 09, 2022	1,31,322.40

Source: www.bseindia.com

The Issue Price of ₹20.00/- (Rupees Twenty Only) per Equity Share has been arrived at by our Company in consultation with the Lead Manager.

KEY INDUSTRY REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled ***'Government and Other Approvals'*** *beginning on page no 134 of this Letter of Offer.*

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local bye-laws. The following is an overview of the important laws, regulations and policies which are relevant to our business in India. Certain information detailed in this chapter has been obtained from publications available in the public domain. The description of law, regulations and policies set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

In addition to what has been specified in this Letter of Offer, taxation statutes such as the Income Tax Act, 1961 and Central Goods and Services Tax Act, 2017, various labor laws and other miscellaneous laws apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, please refer to the section titled ***'Government and Other Approvals'*** *beginning on page 134 of this Letter of Offer.*

Depending upon the nature of the activities undertaken by our Company the following are the various regulations are applicable to our company.

APPROVALS

For the purpose of the business undertaken by our Company, our Company is required to comply with various laws, statutes, rules, regulations, executive orders, etc. that may be applicable from time to time. The details of such approvals have more particularly been described for your reference in the section titled ***'Government and Other Approvals'*** beginning on page 134 of this Letter of Offer.

KEY REGULATION APPLICABLE TO OUR COMPANY

The Reserve Bank of India Act, as amended (the "RBI Act") and applicable Master Directions issued by RBI

The RBI Act defines an NBFC as: (a) a financial institution which is a company; (b) a non-banking institution which is a company and which is in the principal business of receiving deposits, under any scheme or arrangement or in any other manner, or lending in any manner; or (c) such other non-banking institution or class of institutions, as the RBI may, with the previous approval of the Central Government and by notification in the Official Gazette, specify.

A company categorized as an NBFC is required to have a net owned fund of ₹2.5 million or such other amount, not exceeding ₹1,000 million, as the RBI may, by notification in the official gazette specify from time to time. Further, NBFCs are required to obtain a certificate of registration from the RBI prior to commencement of the business as an NBFC.

Every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. No appropriation can be made from such fund by the NBFC except for the purposes specified by the RBI from time to time and every such appropriation shall be reported to the RBI within 21 days from the date of such withdrawal.

EMPLOYMENT AND LABOUR LAWS

The Code on Wages, 2019

The Code on Wages, 2019 (The "Code") seeks to amend, consolidate and regulate the laws relating to wage and bonus payments in all employments and matters connected therewith or incidental thereto and aims at providing equal remuneration to employees performing work of a similar nature in every industry, trade, business or manufacture. The Code received the assent of the Lok Sabha on July 30, 2019, and of the Rajya Sabha on August 2, 2019. Subsequently, the Code received presidential assent on 8th August 2019, and was notified by the Ministry of Law and Justice, Government of India on the same date. The Code subsumes and repeals the provisions of four statutes -- the Payment of Wages Act, 1936 which ensures that payment of wages to employees are disbursed on time and no undue deductions are made, the Minimum Wages Act, 1948 which enables fixing of minimum rates of wages in certain employments, the Payment of Bonus Act, 1965 which provides for payment of bonus to persons employed in certain establishments on the basis of profit or productivity, and the Equal Remuneration Act, 1976 which aims to mandate equal remuneration to prevent gender discrimination in employment matters. Further, the Ministry of Labour and Employment has also notified the Code on Wages (Central) Rules, 2020 under the Code. The Code on Wages shall come into force on such date as may be prescribed by the Central Government by way of a notification of the Official Gazette. The Code in its entirety is yet to be notified; however, certain provisions pertaining to the composition and duties of the Central Advisory Board as encompassed in Section 42, Section 130 67 and Section 69 of the Code have been brought into force by the Ministry of Labour and Employment vide Notification dated December 18, 2020.

Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (hereinafter referred to as the 'EPF Act') and the Employees Provident Fund Scheme, 1952.

The EPF Act is applicable to an establishment employing more than 20 employees and as notified by the government from time to time. All the establishments under the EPF Act are required to be registered with the appropriate Provident Fund Commissioner. Also, in accordance with the provisions of the EPF Act, the employers are required to contribute to the employees' provident fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. The Central Government under Section 5 of the EPF Act Frames Employees Provident Scheme, 1952.

Note: Currently Company does not have more than 20 employees.

Employees Deposit Linked Insurance Scheme, 1976

The scheme shall be administered by the Central Board constituted under Section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

The Employees' Pension Scheme, 1995

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

Employee's Compensation Act, 1923

It is common knowledge that many of the tasks for which laborers or workmen are employed involve great physical hardships, risks of loss or injury to the employees which may even result in death. This Act assures that the employee or his dependents are to be compensated for injury or death caused to him during his employment. The Employee's Compensation (Amendment) Act, 2017 (hereinafter referred to as "the amendment") received the President's assent in 12th April 2017.

Payment of Gratuity Act, 1972

Under the Payment of Gratuity Act, 1972, an employee in a factory or any other establishment in which 20 or more than 20 persons are employed on any day during an accounting year who is in continuous service for a period of five years notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault of the employee is eligible for gratuity upon his retirement, superannuation, death or disablement.

Maternity Benefit Act, 1961

The Maternity Benefit Act, 1961 provides for leave and right to payment of maternity benefits to women employees in case of confinement or miscarriage etc. The act is applicable to every establishment which is a factory, mine or plantation including any such establishment belonging to government and to every establishment of equestrian, acrobatic and other performances, to every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a state, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months; provided that the state government may, with the approval of the Central Government, after giving at least two months' notice shall apply any of the provisions of this act to establishments or class of establishments, industrial, commercial, agricultural or otherwise.

Child Labour Prohibition and Regulation Act, 1986

The Child Labour Prohibition and Regulation Act 1986 prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Employment of Child Labour in our industry is prohibited as per Part B (Processes) of the Schedule.

The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013

In order to curb the rise in sexual harassment of women at workplace, this act was enacted for prevention and redressal of complaints and for matters connected therewith or incidental thereto. The terms sexual harassment and workplace are both defined in the act. Every employer should also constitute an "Internal Complaints Committee" and every officer and member of the Company shall hold office for a period of not exceeding three years from the date of nomination. Any aggrieved woman can make a complaint in writing to the Internal Committee in relation to sexual harassment of female at workplace. Every employer has a duty to provide a safe working environment at workplace which shall include safety from the persons coming into contact at the workplace, organizing awareness programs and workshops, display of rules relating to the sexual harassment at any conspicuous part of the workplace, provide necessary facilities to the internal or local committee for dealing with the complaint, such other procedural requirements to assess the complaints.

TAX RELATED LEGISLATIONS

Goods and Service Tax (hereinafter referred to as the 'GST')

Goods and Services Tax (GST) is levied on supply of goods or services or both jointly by the Central and State Governments. It was introduced as The Constitution (One Hundred and First Amendment) Act, 2017 and is governed by the GST Council. GST provides for imposition of tax on the supply of goods or services and will be levied by Centre on intra-state supply of goods or services and by the States including Union territories with legislature/ Union Territories without legislature respectively. A destination-based consumption tax GST would be a dual GST with the center and states simultaneously levying tax with a common base. The GST law is enforced by various acts viz. Central Goods and Services Act, 2017 (CGST), State Goods and Services Tax Act, 2017 (SGST), Union Territory Goods and Services Tax Act, 2017 (UTGST), Integrated Goods and Services Tax Act, 2017 (IGST) and Goods and Services Tax

(Compensation to States) Act, 2017 and various rules made thereunder. It replaces following indirect taxes and duties at the central and state levels:

Central Excise Duty, Duties of Excise (Medicinal and Toilet Preparations), additional duties on excise– goods of special importance, textiles and textile products, commonly known as CVD – special additional duty of customs, service tax, central and state surcharges and cesses relating to supply of goods and services, state VAT, Central Sales Tax, Luxury Tax, Entry Tax (all forms), Entertainment and Amusement Tax (except when levied by local bodies), taxes on advertisements, purchase tax, taxes on lotteries, betting and gambling.

INTELLECTUAL PROPERTY LEGISLATIONS

Indian Patents Act, 1970

A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

The Copyright Act, 1957

Copyright is a right given by the law to creators of literary, dramatic, musical, and artistic works and producers of cinematograph films and sound recordings. In fact, it is a bundle of rights including, interalia, and rights of reproduction, communication to the public, adaptation and translation of the work. There could be slight variations in the composition of the rights depending on the work.

Trademarks Act, 1999 (hereinafter referred to as the 'TM Act')

The Trade Marks Act, 1999 provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. It also provides for penalties for infringement, falsifying and falsely applying for trademarks.

ENVIRONMENTAL REGULATIONS

The Environment Protection Act, 1986

The purpose of the Environment Protection Act ("Environment Protection Act") is to act as an "umbrella" legislation designed to provide a frame work for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to (a) prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

The Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste.

FOREIGN INVESTMENT LAWS

Foreign investment in India is governed by the provisions of FEMA along with the rules, regulations and notifications made by RBI thereunder, and the Consolidated FDI Policy (hereinafter referred to as the **'Consolidated FDI Policy'**) issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (hereinafter referred to as the **'DIPP'**) from time to time. Under the current FDI Policy (effective August 28, 2017) 100% foreign direct investment is permitted in IT/ITES sector, under the automatic route.

In terms of applicable regulations notified under FEMA and the SEBI (Foreign Portfolio Investors) Regulations, 2014 ((hereinafter referred to as the **'SEBI (FPI) Regulations'**), investments by Foreign Portfolio Investors ("**FPIs**") in the capital of an Indian Company under the SEBI (FPI) Regulations are subject to certain limits individual holding limits of 10% of the capital of the Company per FPI and the aggregate holding limit of 24% of the capital of the company. However, the aggregate limit for FPI investment in a Company can be increased up to the applicable sectoral cap by passing a resolution of the company's board of directors, followed by a special resolution by the shareholders and prior intimation to the RBI.

OTHER LAWS

Shops and establishments laws in various states

Under the provisions of local Shops and Establishments laws applicable in various states, establishments are required to be registered. Such laws regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees.

Municipality Laws

Pursuant to the Seventy Fourth Amendment Act, 1992, the respective State Legislatures in India have the power to endow the Municipalities (as defined under Article 243Q of the Constitution of India) with the power to implement schemes and perform functions in relation to matters listed in the Twelfth Schedule to the Constitution of India which includes regulation of public health. The respective States of India have enacted laws empowering the Municipalities to regulate public health including the issuance of a health trade license for operating eating outlets and implementation of regulations relating to such license along with prescribing penalties for non-compliance.

Police Laws

The State Legislatures in India are empowered to enact laws in relation to public order and police under Entries 1 and 2 of the State List (List II) to the Constitution of India. Pursuant to the same the respective States of India have enacted laws regulating the same including registering eating houses and obtaining a 'no objection certificate' for operating such eating houses with the police station located in that particular area, along with prescribing penalties for non-compliance.

The Indian Contract Act, 1872

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as 'void' or 'voidable'. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

Transfer of Property Act, 1882

The transfer of property is governed by the Transfer of Property Act, 1882 ("T.P. Act"). The T.P. Act establishes the general principles relating to the transfer of property including among other things identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property.

Registration Act, 1908

The Registration Act, 1908 (hereinafter referred to as **'Registration Act'**) has been enacted with the object of providing public notice of execution of documents affecting a transfer of interest in property. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. Section 18 of the Registration Act provides for non-compulsory registration of documents as enumerated in the provision.

GENERAL LAWS

Apart from the above list of laws – which is inclusive in nature and not exhaustive - general laws like the Indian Contract Act 1872, Specific Relief Act 1963, Negotiable Instrument Act 1881 and Consumer Protection Act 1986 are also applicable to the company.

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Except as disclosed below, there are no outstanding litigations involving our Company and our Subsidiaries/associates whose financial statements are included in the draft letter of offer, either separately or in a consolidated form including, suits, criminal or civil proceedings and taxation related proceedings that would have a material adverse effect on our operations, financial position, or future revenues. In this regard, please note the following:

- In determining whether any outstanding litigation against our Company, other than litigation involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings relating to economic offences against our Company, would have a material adverse effect on our operations or financial position or impact our future revenues, we have considered all pending litigations involving our Company, other than criminal proceedings, statutory or regulatory actions, as 'material';

- For determining materiality, the threshold shall be determined by the issuer as per requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended,

Unless stated to the contrary, the information provided below is as of the date of this Letter of Offer.

CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2022, the contingent Liabilities is of ₹2093.40 Lakhs (Twenty Crores Ninety-Three Lakhs and Forty Thousand Only).

For further details, please refer to Note 35 titled ***'Provisions and contingent liabilities'*** beginning on page 111 of this Letter of Offer.

LITIGATION INVOLVING OUR COMPANY

1) Litigation involving Tax Liabilities

(i) Direct Tax Liabilities

In accordance with the provisions of Rule 45 various appeals against the orders of ACIT Central Circle 8(3) to the Commissioner of Income Tax (Appeals) has been filed by our Company, the details of which are specified as below:

(a) Assessment Year: 2013-14

Date of Order	May 27, 2021
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. The appellant had filed its original return of income under Section 139(1) on September 30, 2013, on disclosing the total income of (₹1,38,990.00/-) (Rupees One Lakh Thirty-Eight Thousand Nine Hundred and Ninety Only). The original assessment was completed under Section 143(3) dated March 17, 2016 by Ld. ITO, Wd-9(2) (1), Mumbai on making the understated addition/disallowances:- Nature of addition/disallowance amount: a) Addition under Section 68 of share application money ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only) b) Disallowance of listing fees ₹1,00,000.00/- (Rupees One Lakh Only) The Ld. CIT(A) vide order dated June 12, 2017, had deleted the above stated addition made under Section 68 of share application money of ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only). The Honourable ITAT, B-bench, Mumbai vide order dated February 27, 2019, had dismissed the second appeal filed by the department. The Ld. AO had provided the effect of Ld. CIT(A) and Honourable ITAT order, as a result the orders of Ld. CIT(A) and Honourable ITAT had merged with the original assessment order passed under Section 143(3) of the IT Act. In response to notice under Section 153C dated December 28, 2019, the assesse filed the return of income under Section 153C on January 20, 2020, on disclosing the total income of

	₹1,38,990.00/- (Rupees One Lakh Thirty-Eight Thousand Nine Hundred and Ninety Only). During course of assessment, the appellant vide letters dated February 05, 2021 and February 08, 2021 had requested Ld. AO to provide the copies of Satisfaction note and money, bullion, article, books of account or documents found during course of search of the searched person. However, Ld. AO did not provide copies of the satisfaction note, incriminating material and documents to the assessee for rebuttal. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidence on assessment record. However, Ld. AO, without any justification and without issuing specific show cause notice, erred in making the addition/disallowance as was made in the original assessment order u/s.143(3) and also made further additions in the impugned assessment order. Further, Ld. AO, without any justification and contrary material and without issuing specific show cause, erred seriously in holding that the shares of the appellant company has been used to provide bogus long term capital gain to various beneficiaries. The details of additions/ disallowances made in impugned assessment order including the additions/ disallowances made on following the original assessment order u/s.143(3) is stated as under:- i) Total Income as per return of income ₹1,38,990.00/- (Rupees One Lakh Thirty-Eight Thousand Nine Hundred and Ninety Only) ii) Add: Addition made in original assessment under Section 143(3) a) Addition u/s.68 of share application monies ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only) b) Disallowance of listing fees ₹1,00,000.00/- (Rupees One Lakh Only) Total Income as per assessment order under section 143(3) ₹20,01,58,990.00/- (Rupees Twenty Crores One Lakh Fifty-Eight Thousand Nine Hundred and Ninety Only) Add: Addition further made in impugned assessment c) Disallowance of listing fees ₹1,40,000.00/- (Rupees One Lakh Forty Thousand Only) Assessed Total Income ₹20,02,98,990.00/- (Rupees Twenty Crores Two Lah Ninety-Eight Thousand Nine Hundred and Ninety Only) being aggrieved, the appellant preferred this appeal.

	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
Grounds of Appeal	153C	(1) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since no money, bullion jewellery, books of accounts or documents belonging/ pertaining to the assessee were seized or requisitioned during course of search of the searched person; (2) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since valid satisfaction mandated under section 153C(1) had not been recorded by the assessing officer of the searched person; (3) Additions/Disallowance made in assessment order in absence of incriminating material is erroneous: On facts and circumstances of the case and in Law, the additions made in impugned assessment order is erroneous since no incriminating material related to impugned year was found/seized during course of search of the searched person.
	68	(4) Addition of share application monies received of ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only) already deleted by CIT(A) and ITAT is seriously unjustified: On facts and circumstances of the case and in Law, Ld. AO erred again in making the addition u/s.68 of Share application monies of ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only) as made in the original assessment order passed under section 143(3), though such addition had been deleted, on merits, by Ld. CIT(A) and Honourable ITAT; (5) Additions made in impugned assessment order u/s.153C merely relying on the original assessment order under section 143(3) which had merged with CIT(A) and ITAT order is erroneous: The Ld. AO, before merging the original assessment order under section 143(3) with impugned assessment order under section 153C, erred seriously in ignoring the orders of Ld. CIT(A)

		order and Honourable ITAT which had already been merged with the assessment order passed under section 143(3) of the Act;
	37	(6) Disallowance of ROC expenses of ₹1,44,000.00/- (Rupees One Lakh Forty-Four Thousand Only) is erroneous: On facts and circumstances of the case and in Law, Ld. AO erred in making the disallowance of ROC expenses of of ₹1,44,000.00/- (Rupees One Lakh Forty-Four Thousand Only) paid in normal course of the business;
	45	(7) Allegation that the share of assessee company is used to provide bogus capital gain to various beneficiaries is seriously unjustified: On facts and circumstances of the case and in Law, Ld. AO, without any justification and contrary evidence, erred seriously in holding that the shares of appellant company had been used to provide alleged non-genuine long term capital gains to various beneficiaries.
Demand Amount under section 156 of Income Tax Act, 1961.	₹14,78,96,450.00/- (Rupees Fourteen Crore Seventy-Eight Lakh Ninety-Six Thousand Four Hundred Fifty Only).	
Status of Matter	Pending.	

(b) Assessment Year: 2014-15

Date of Order	May 27, 2021
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. The appellant had filed its original return of income under Section 139(1) on October 07, 2014, on disclosing the total income of (NIL). The original assessment was completed under Section 143(3) dated December 29, 2014 by Ld. ITO, Wd-9(2) (1), Mumbai on making the understated addition/disallowances:- Nature of addition/disallowance amount: a) Disallowances of Interest and Expenses of 14A r.w.r 8D ₹ 7,30,788/-(Rupees Seven Lakhs Thirty Thousand Seven Hundred and Eighty-Eight Only) Adjustment to book profit Under Section 115JB ₹.7,63,600/- (Rupees Seven Lakhs Sixty-Three Thousand and Six Hundred Only) The Ld. CIT(A) vide order dated November 11, 2018, had deleted the stated major Disallowance of interest and expenses. The Ld. AO had provided the effect of Ld. CIT(A) as a result the order of Ld. CIT(A) had merged with the original assessment order passed Under Section 143(3) of the Act. In response to notice under Section 153C dated December 28, 2019, the assesse filed the return of income under Section 153C on December 12, 2019, the assesse filed the return of income u/s.153C on 20/01/2020 on disclosing the total income of NIL. During course of assessment, the appellant vide letters dated February 05, 2021, February 08,2021 April 23, 2021, had requested Ld. AO to provide the copies of Satisfaction note and money, bullion, article, books of account or documents found during course of search of the searched person. However, Ld. AO did not provide copies of the satisfaction note, incriminating material and documents to the assesse for rebuttal. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidences on assessment record. However, Ld. AO, without any justification and without issuing specific show cause notice, erred in making the same addition/disallowance as was made in the original assessment order Under Section 143(3) of the Act. Further, Ld. AO, without any justification and contrary material and without issuing specific show cause, erred seriously in holding that the shares of the appellant company has been used to provide bogus long term capital gain to various beneficiaries. The details of additions/ disallowances made in the impugned assessment order including the additions/ disallowances made on following the original assessment order u/s.143(3) is stated as under :-

	i) Total income as per return of income ₹ 7,87,110/- (Rupees Seven Lakhs Eighty-Seven Thousand One Hundred and Ten Only) ii) Add: Addition made in original assessment under Section 143(3) d) Disallowances of Interest and Expenses Under Section 14A r.w.r 8D ₹ 7,30,788/- (Rupees Seven Thirty Thousand Seven Hundred and Eighty-Eight) e) Disallowance Assessed Total Income ₹ 15,17,898/-(Fifteen Lakhs Seventeen Thousand Eight Hundred and Ninety-Eight) Working of Book Profit Under Section 115JB Book profit as per Return of Income ₹ 4,77,345/- (Four Lakhs Seventy-Seven Thousand Three Hundred and Forty-Five) Add : Adjustments made in original assessment order u/s 143(3) i) Expenditure related to exempt income ₹7,63,600/- (Seven Lakhs Sixty-Three Thousand Six Hundred) ii) Book Profit ₹12,40,945/- (Twelve Lakhs Forty Thousand Nine Hundred and Forty-Five Only) Being aggrieved, the appellant preferred this appeal.
Grounds of Appeal	

Relevant section (s) of IT Act	**Ground of Appeal (as per Form 35)**
153C	(1) On facts and circumstances of the case and in Law, the assessment order passed Under Section 153C is bad in law since no money, bullion jewellery, books of accounts or documents belonging/ pertaining to the assesse were seized or requisitioned during course of search of the Person (2) On facts and circumstances of the case and in Law, the assessment order passed Under Section 153C is bad in law since valid satisfaction mandated Under Section 153C(1) had not been recorded by the assessing officer of the searched person; (3) 3. On facts and circumstances of the case and in Law, the additions made in impugned assessment order is erroneous since no incriminating material related to impugned year was found/seized during course of search of the searched person;
14A	(4) On facts and circumstances of the case and in Law, Ld. AO erred again in making the disallowance of interest and expenses Under Section 14A of ₹ 7,30,788/- as made in the original assessment order passed Under Section 143(3), though such addition had been deleted, on merits, by Ld. CIT(A);
115JB	(5) On facts and circumstances of the case and in Law, Ld. AO erred again in making the adjustments to book profit Under Section 115JB of ₹7,63,600/- relating to expenditure allegedly incurred to earn the exempt income as made in the original assessment order passed Under Section 143(3), though such addition had been deleted, on merits, by Ld. CIT(A);
68	(6) The Ld. AO, before merging the original assessment order Under Section 143(3) with impugned assessment order Under Section 153C, erred seriously in ignoring the orders of Ld. CIT(A) order already merged with the assessment order passed Under Section 143(3) of the Act;.
45	(7) On facts and circumstances of the case and in Law, Ld. AO, without any justification and contrary evidence, erred seriously in holding that the shares of appellant company had been used to provide alleged non-genuine Long term capital gains to various beneficiaries.

Demand Amount under section 156 of Income Tax Act, 1961.	Nil
Status of Matter	Pending

(c) Assessment Year: 2016-17

Date of Order	May 28, 2021
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. The appellant had filed its original return of income u/s.139(1) on October 17, 2016, on disclosing the total income of Rs. ₹ (40,64,638)/. (Rupees Forty Lakh Sixty-Four Thousand Six Hundred Thirty-Eight Only) The original assessment was completed u/s 143(3) dated December 12, 2018, by Ld. ACIT, Cir-9(2)(1), Mumbai on making the understated addition/disallowances: - Nature of addition/disallowance Amount i) Disallowance of interest and expenses of 14A r.w.r 8D ₹17,47,341/- (Rupees Seventeen lakh Forty-Seven thousand Three Hundred Forty-One Only) The Ld. CIT(A) vide order dated May 31, 2019, had deleted the above stated major disallowance of interest and expenses. The Ld. AO had provided the effect of Ld. CIT(A) as a result, the order of Ld. CIT(A) had merged with the original assessment order passed u/s.143(3) of the Act. In response to notice u/s.153C dated 28/12/2019, the assesse filed the return of income u/s.153C on January 20, 2020, on disclosing the total income of ₹ (40,64,638)/- (Rupees Forty Lakh Sixty-Four Thousand Six Hundred Thirty-Eight Only). During course of assessment, the appellant vide letters dated February 05, 2021, February 08, 2021, and April 23, 2021, had requested Ld. AO to provide the copies of Satisfaction note and money, bullion, article, books of account or documents found during course of search of the searched person. However, Ld. AO did not provide copies of the satisfaction note, incriminating material and documents to the assessee for rebuttal. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidences on assessment record. However, Ld. AO, without any justification and without issuing specific show cause notice, erred in making the same addition/disallowance as was made in the original assessment order u/s.143(3) of the Act. Further, Ld. AO, without issuing any specific show cause and contrary material, erred seriously in making the disallowance of loss in trading in shares of M/s Confidence Finance & Trading Ltd of ₹26,32,164/- (Rupees Twenty-Six Lakh Thirty-Two Thousand One Hundred Sixty-Four Only) and Unexplained commission u/s 69C of ₹52,643/- (Fifty-Two Thousand Six Hundred Forty-Three Only). The Ld. AO failed to consider the fact that the appellant had claimed the loss on such shares sold during the year of ₹60,898/- (Rupees Sixty Thousand Eight Hundred Ninety-Eight Only), thus the disallowance of balance unclaimed loss is erroneous. Further, Ld. AO, without any justification and contrary material and without issuing specific show cause, erred seriously in holding that the shares of the appellant company has been used to provide bogus long term capital gain to various beneficiaries. The details of additions/disallowances made in impugned assessment order including the additions/ disallowances made on following the original assessment order u/s.143(3) are stated as under:- Total Income as per return of income ₹ (40,64,638/-) (Rupees Forty Lakh Sixty-Four Thousand Six Hundred Thirty Eight Only) Add: Addition made in original assessment u/s.143(3) a) Disallowance of interest and expenses u/s 14A r.w.r 8D ₹17,47,341/- (Rupees Seventeen Lakh Forty-Seven Thousand Three Hundred Forty-One Only) Total Income as per assessment order u/s. 143(3) ₹ (23,17,297/-) (Rupees Twenty-Three Lakh Seventeen Thousand Two hundred Ninety-Seven Only) Add: Addition further made in impugned assessment

	a. Disallowance of loss on traded shares of M/s Confidence Finance & Trading Ltd ₹ 26,32,164/- (Rupees Twenty-Six Lakh Thirty-Two Thousand One Hundred Sixty-Four Only) b. Unexplained Commission u/ s 69C @ 2 percentage ₹52,643/- (Rupees Fifty-Two Thousand Six Hundred Forty-Three Only) Assessed Total Income ₹3,67,510/- (Rupees Three Lakh Sixty-Seven Thousand Five Hundred Ten Only) Being aggrieved, the appellant preferred this appeal.
Grounds of Appeal	

Relevant section (s) of IT Act	**Ground of Appeal (as per Form 35)**
153C	(1) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since no money, bullion jewellery, books of accounts or documents belonging/ pertaining to the assessee were seized or requisitioned during course of search of the searched person; (2) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since valid satisfaction mandated under section 153C (1) had not been recorded by the assessing officer of the searched person. (3) Additions/Disallowance made in assessment order in absence of incriminating material is erroneous: On facts and circumstances of the case and in Law, the additions made in impugned assessment order is erroneous since no incriminating material related to impugned year was found/seized during course of search of the searched person.
14A	(4) On facts and circumstances of the case and in Law, Ld. AO erred again in making the disallowance of interest and expenses under section 14A r.w.r 8D of ₹17,47,341/- (Rupees Seventeen lakhs Forty-Seven Thousand Three Hundred Forty-One Only) as made in the original assessment order passed under section 143(3), though such addition had been deleted, on merits, by Ld. CIT(A); (5) The Ld. AO, before merging the original assessment order under section 143(3) with impugned assessment order under section 153C, erred seriously in ignoring Ld. CIT(A)s order which had already been merged with the assessment order passed under section 143(3) of the Act.
37(1)	(6) On facts and circumstances of the case and in Law, Ld. AO erred in making the disallowance of loss in trading in shares of M/s Confidence Finance & Trading Ltd of ₹26,32,164/- (Rupees Twenty-Six Lakh Thirty-Two Thousand One Hundred Sixty-Four Only) and on ignoring grossly the fact that the appellant had claimed the loss on sale of shares of ₹ 60,898/ - (Rupees Sixty Thousand Eight Hundred Ninety-Eight Only)
69C	(7) On facts and circumstances of the case and in Law, Ld. AO erred in making the addition under section 69C of alleged Unexplained commission of ₹52,643/- (Rupees Fifty-Two Thousand Six Hundred Forty-Three Only)
45	(8) On facts and circumstances of the case and in Law, Ld. AO, without any justification and contrary evidence, erred seriously in holding that the shares of appellant company had been used to provide alleged non-genuine long term capital gains to various beneficiaries.

Demand Amount under section 156 of Income Tax Act, 1961.	₹2,05,310/- (Rupees Two lakh Five Hundred Three Hundred and Ten Only)
Status of Matter	Pending

(d) Assessment Year: 2017-18

Date of Order	May 28, 2021
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. The appellant had filed its original return of income under section 139(1) on October 31, 2017, on disclosing the total income of ₹ (4,04,99,503/-) (Rupees Four Crore Four Lakh Ninety -Nine Thousand Five Hundred and Three Only). In response to notice under section 153C dated December 28, 2019, the assessee filed the return of income under section153C on January 20, 2020, on disclosing the total income of ₹ (4,04,99,503/-) (Rupees Four Crore Four Lakh Ninety -Nine Thousand Five Hundred and Three Only). During course of assessment, the appellant vide letters dated February 05, 2021, February 08, 2021, and April 23, 2021had requested Ld. AO to provide the copies of Satisfaction note and money, bullion, article, books of account or documents found during course of search of the searched person. However, Ld. AO did not provide copies of the satisfaction note, incriminating material and documents to the assessee for rebuttal. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidences on assessment record. However, Ld. AO, without any justification and without issuing specific show cause notice, erred in making the same addition/disallowance in the assessment order. Further, Ld. AO, without any justification and contrary material and without issuing specific show cause, erred seriously in holding that the shares of the appellant company has been used to provide bogus long term capital gain to various beneficiaries. The details of additions/disallowances made in impugned assessment order is stated as under:- Total Income as per return of income ₹ (4,04,99,503/-) (Rupees Four Crore Four Lakh Ninety -Nine Thousand Five Hundred and Three Only) Add : Addition made in impugned assessment a) Disallowance of expenses under section 14A r.w.r 8D ₹2,46,625/- (Two lakh Forty-Six Thousand Six Hundred Twenty-five Only) Assessed Total Income ₹ (4,02,52,878/-) (Rupees Four Crore Two lakh Fifty Two Thousand Eight Hundred Seventy Eight Only) Being aggrieved, the appellant preferred this appeal.
Grounds of Appeal	

Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
153C	(1) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since no money, bullion jewellery, books of accounts or documents belonging/ pertaining to the assessee were seized or requisitioned during course of search of the searched person; (2) On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since valid satisfaction mandated under section 153C (1) had not been recorded by the assessing officer of the searched person; (3) Additions/Disallowance made in assessment order in absence of incriminating material is erroneous: On facts and circumstances of the case and in Law, the additions made in impugned assessment order is erroneous since no incriminating material related to impugned year was found/seized during course of search of the searched person.
14A	(4) On facts and circumstances of the case and in Law, Ld. AO erred in making the disallowance of expenses under section 14A r.w.r 8D of ₹2,46,625/- (Two lakh Forty-Six Thousand Six Hundred Twenty-five Only)
45	(5) On facts and circumstances of the case and in Law, Ld. AO, without any justification and contrary evidence, erred seriously in holding that the shares

		of appellant company had been used to provide alleged non-genuine long term capital gains to various beneficiaries.
Demand Amount under section 156 of Income Tax Act, 1961.	Nil.	
Status of Matter	Pending	

(e) Assessment Year: 2018-19

Date of Order	July 27, 2021	
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. In response to notice under section 153C dated December 28, 2019, the assesse filed the return of income under section.153C on January 17,2020, on disclosing the total income of ₹2,30,700/- (Rupees Two lakhs Thirty Thousand Seven Hundred Only). During course of assessment, the appellant vide letters dated February 05,2021, and February 08, 2021, had requested Ld. AO to provide the copies of Satisfaction note and money, bullion, article, books of account or documents found during course of search of the searched person. However, Ld. AO did not provide copies of the satisfaction note, incriminating material and documents to the assessee for rebuttal. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidences on assessment record. However, Ld. AO, erred in making the disallowance of bad debts claimed under section 36(1)(vii) r.w.s 36(2) of ₹1,15,10,298/- (Rupees One Crore Fifteen Lakh Ten Thousand Two Hundred Ninety-Eight Only) under the reason that corresponding debts had not been offered to income in any earlier years. Further, Ld. AO erred in not allowing the set-off under section 72(1) of the assessed business loss of earlier years with the total income of the impugned year. However, Ld. AO, without any contrary material and without carrying any enquiry/ investments, erred in holding that the listed script of the appellant company had been used to provide bogus long term capital gains to various beneficiaries. The details of additions/disallowances made in impugned assessment order including the additions/disallowances made on following the original assessment order under section 143(3) are stated as under:- Total Income as per return of income ₹2,30,700/- (Rupees Two Lakh Thirty Thousand Seven Hundred Only) Add : Addition made in assessment 1. Disallowance of bad debts under section 36(1)(vii) ₹1,15,10,298/- (Rupees One Crore Fifteen Lakh Ten Thousand Two Hundred Ninety-Eight Only) Assessed Total Income ₹1,17,41,000/- (Rupees One Crore Seventeen Lakh Forty-One Thousand Only) Being aggrieved, the appellant preferred this appeal.	
Grounds of Appeal	**Relevant section (s) of IT Act**	**Ground of Appeal (as per Form 35)**
	153C	***1.*** On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since no money, bullion jewellery, books of accounts or documents belonging/ pertaining to the assessee were seized or requisitioned during course of search of the searched person; ***2.*** On facts and circumstances of the case and in Law, the assessment order passed under section 153C is bad in law since valid satisfaction mandated under section 153C(1) had not been recorded by the assessing officer of the searched person;

		3. Additions/Disallowance made in assessment order in absence of incriminating material is erroneous: On facts and circumstances of the case and in Law, the additions made in impugned assessment order is erroneous since no incriminating material related to impugned year was found/seized during course of search of the searched person.
	36(1)(vii))	***1.*** On facts and circumstances of the case and in Law, Ld. AO erred in making the disallowance of bad debts under section 36(1)(vii) r.w.s 36(2) of ₹1,15,10,298/- (Rupees One Crore Fifteen Lakh Ten Thousand Two Hundred Ninety-Eight Only) in respect of the money lent in the ordinary course of the business of banking and moneylending activities.
	72(1)	***1.*** On facts and circumstances of the case and in Law, Ld. AO erred in not allowing the set-off of assessed Brought Forward business loss of earlier year, being eligible for set-off under section.72(1) with the business income of impugned year.
Litigation Amount	₹43,82,680/- (Rupees Forty-three lakh Eighty-Two Thousand Six Hundred and Eighty Only)	
Status of Matter	Pending	

(f) Assessment Year: 2019-20

Date of Order	July 27, 2021	
Statement of Facts	The appellant is a Non-Banking Finance Company (NBFC) in which public are substantially interested and is listed in Bombay Stock Exchange. The appellant had filed its original return of income u/s.139(1) on October 23, 2019, on disclosing the total loss of ₹ (36,69,872/-) (Rupees Thirty-Six Lakh Sixty-Nine Thousand Eight Hundred Seventy-Two Only). The Ld. AO issued the notice under section.143(2) on September 28,2020. The appellant, during course of assessment, actively participated and furnished the written submissions along with exhaustive documentary evidences on assessment record. However, Ld. AO, without any justification erred in making the disallowance of the payment made to SEBI, in normal course of business of ₹10,25,948/-. (Rupees Ten Lakh Twenty-Five Thousand Nine Hundred Forty-Eight Only). Further, Ld. AO, without any justification and contrary material and without issuing specific show cause, erred seriously in holding that the shares of the appellant company has been used to provide bogus long term capital gain to various beneficiaries. The details of additions/disallowances made in impugned assessment order is stated as under:- Total Income as per return of income ₹ (36,69,872/-) (Rupees Thirty-Six Lakh Sixty-Nine Thousand Eight Hundred Seventy-Two Only). Add : Addition made in impugned assessment a. Disallowance of expenses paid to SEBI ₹10,25,948/- (Rupees Ten Lakh Twenty-Five Thousand Nine Hundred Forty-Eight Only) Assessed Total Loss ₹ (26,43,750)/- (Rupees Twenty-Six Lakhs Forty Three Thousand Seven Hundred Fifty Only). Being aggrieved, the appellant preferred this appeal.	
Grounds of Appeal	**Relevant section (s) of IT Act**	**Ground of Appeal (as per Form 35)**
	37	***(1)*** On facts and circumstances of the case and in Law, Ld. AO erred in making the disallowance of payment made to SEBI of ₹10,25,948/-

		(Rupees Ten Lakh Twenty-Five Thousand Nine Hundred Forty-Eight Only).
	45	***(2)*** On facts and circumstances of the case and in Law, Ld. AO, without any justification and contrary evidence, erred seriously in holding that the shares of appellant company had been used to provide alleged non-genuine Long term capital gains to various beneficiaries.
Litigation Amount	Nil.	
Status of Matter	Pending	

As on date of this Letter of Offer, there are no indirect tax liabilities against our Company.

2) Proceedings involving issues of moral turpitude or criminal liability on the part of our Company

As on date of this Letter of Offer, there are no issues of moral turpitude or criminal liability on the part of our Company.

3) Proceedings involving Material Violations of Statutory Regulations by our Company

As on date of this Letter of Offer, there are proceedings involving Material Violations of Statutory Regulations by our Company.

4) Matters involving economic offences where proceedings have been initiated against our Company

As on date of this Letter of Offer, there are no matters involving economic offences where proceedings have been initiated against our Company;

5) 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

As on date of this Letter of Offer, there are no proceedings 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.

LITIGATION INVOLVING OUR DIRECTORS, PROMOTERS AND PROMOTER GROUP

1) Litigation Involving Actions by Statutory/Regulatory Authorities

An Order dated August 02, 2019, bearing order number 'EAD-9/ AO/SM/52 - 86 /2019-20', has been sent to Girraj Kishor Agrawal (Promoter and Director) and Tanu Girraj Agrawal (Promoter and Director) and other entities by the SEBI under alleged violation of provisions of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003 imposing a penalty of ₹5,00,00,000.00/- (Rupees Five Crores Only).

Based on the findings by SEBI, Show Cause Notice dated August 23, 2013 ('SCN'' was issued to the Girraj Kishor Agrawal (Promoter and Director) and Tanu Girraj Agrawal (Promoter and Director) along with other entities under Rule 4 (1) of Adjudication Officer Rules to show cause as to why an inquiry should not be held and penalty should not be imposed on it under Section 15HA of SEBI Act for the alleged violations. Vide the SCN it was alleged that circular/ reversal trades were executed between promoter group entities (including Girraj Kishor Agrawal (Promoter and Director) and Tanu Girraj Agrawal (Promoter and Director)) and Manish Rathi group entities on the exchange and off-market with the intention not to transfer the beneficial ownership of Octant Interactive Technologies Limited ('OITL') shares, but with an intention to operate only as a device to create false, misleading appearance of trading and fluctuation in the price of scrip of OITL for wrongful gains. It was further alleged that Kolkata group had aided and abetted promoter group and Manish Rathi group in creating artificial volumes and price manipulation in the scrip of OITL by transferring 97,500 (Ninety-Seven Thousand Five Hundred) shares of OITL to alliance and who in turn had transferred the shares in off-market to Manish Rathi group which had undertaken in circular/ reversal trades.

Securities Appellate Tribunal had reverted to SEBI the said order for its review and in pursuance of restoration of the said case the Adjudication Officer vide Adjudication Order Number 'Order/BM/UR/2021-22/15253-15267' dated February 28, 2022, levied an individual penalty of ₹2.00 Lakhs (Rupees Two Lakhs Only) on our Individual Promoter, Girraj Kishor Agrawal, and Tanu Girraj Agarwal, aggregating to a penalty amount of ₹4.00 Lakhs (Rupees Four Lakhs Only), which are subsequently been paid-off by the said Individual Promoters as on date of this Letter of Offer.

LITIGATION INVOLVING OUR SUBSIDIARY / ASSOCIATES

1) Litigation involving our Associates

An Order dated July 30, 2021, bearing order number 'Order/MC/HP/2021-2022/12813-12829' had been sent to our Tilak Ventures Limited **('Associate Company')** and to its Directors i.e Girraj Kishor Agrawal and Tanu Girraj Kishor Agarwal and 6 other entities by SEBI under alleged violation of provisions of SEBI (PFUTP) Regulations imposing a penalty of ₹70,00,000.00/- (Rupees Seventy Lakhs Only). As per the order, an investigation was conducted by SEBI to adjudge the alleged violations under Section 15HA of the SEBI Act, pursuant to which it was observed that the market capitalization of our Associate Company increased in financials. The price of the scrip moved from ₹63.45 (Sixty-Three Rupees and Forty-Five Paise) on April 25, 2013, to ₹310.15 (Three Hundred and Ten and Fifteen Paise) on March 06, 2014. There after discrepancies were found in the preferential allotment done by our Associate Company, and it was observed that there was violation of Regulations 3(a), (b), (c), (d) of the PFUTP Regulations.

As on date of this Letter of Offer, the Company has paid-off the levied penalty, and on Wednesday, February 23, 2022, has filed an appeal to Supreme Court of India, against the said SEBI order bearing case number 'C.A. No.001611 - 001613/2022'. We cannot assure you that these legal proceedings will be decided in favor of our Company, or that no further liability will arise out of these proceedings. We may incur significant expenses in such legal proceedings, and we may have to make provisions in our financial statements, which could increase our expenses and liabilities. Any adverse decision may adversely affect our business, results of operations and financial condition.

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS

Neither our Company, nor our Promoter or any of our Directors are or have been categorized as a willful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET FOR THE FINANCIAL YEAR ENDING MARCH 31, 2022

Except as mentioned in this Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions, and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities. In view of the approvals listed below, we can undertake this Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of our Company or for the correctness of any of the statements or any commitments made, or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities.

APPROVALS FOR THE ISSUE

The following approvals have been obtained or will be obtained in connection with the Issue:

a. The Board of Directors pursuant to Section 62(1)(a) of the Companies Act, 2013, vide Board resolution dated Friday, December 24, 2021, authorized the Issue;

b. The Board of Directors pursuant to Section 62(1)(a) of the Companies Act, 2013, vide Board resolution dated Wednesday, April 27, 2022, revised the Letter of Offer and the same was filed with BSE Limited;

c. In-principle approval from the BSE Limited pursuant to its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022 to use the name of BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;

d. The Board of Directors vide Board resolution dated Monday, June 20, 2022, approved the Rights Issue Price, Record Date, and other terms and conditions for the purpose of this Rights Issue;

e. The Board of Directors vide Board resolution dated Wednesday, June 29, 2022, approved this Letter of Offer;

f. The ISIN of the Company is INE521L01030;

g. The ISIN for the Rights Entitlement is INE521L20014.

OFFICES

Registered Office: E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400053, Maharashtra, India.

APPROVALS PERTAINING TO INCORPORATION OF OUR COMPANY

Sr. No.	Description	Registrar	Registration Number/ CIN	Date of Certificate	Date of Expiry
a.	Certificate of Incorporation in the name of Pioneer Leasing Company Limited	ROC – Mumbai	L65910MH1983PLC030142	June 06, 1983	Valid until Cancelled
b.	Certificate of Incorporation in the name of Banas Finance Limited	ROC – Mumbai	L65910MH1983PLC030142	August 28, 1986	Valid until Cancelled

APPROVALS/REGISTRATION VALID

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a.	Certificate Of Registration	Reserve Bank of India	13.01152	January 21,1999	Valid until cancelled

TAX RELATED APPROVALS

Sr. No.	Description	Authority	Registration Number	Date of Certificate	Date of Expiry
a)	Permanent Account Number	Income Tax Department	AAACB2236J	NA	Valid until cancelled
b)	Tax Deduction Account Number	Income Tax Department	MUMB21901F	NA	Valid until cancelled
c)	Certificate of enrolment Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975	Professional Tax Officer	99173264899P	April 01, 2017	Valid until cancelled
d)	GST Registration	Government of India	27AAACB2236J1ZW	July 01, 2017	Valid until cancelled

OTHER REGULATORY AND STATUTORY DISCLOSURES

AUTHORITY FOR THE ISSUE

This Issue of Equity Shares to the Eligible Shareholders is being made in accordance with the:

1. Resolution passed by our Board of Directors under clause (a) of Sub-Section (1) of Section 62 and other provisions of the Companies Act, at their meeting conducted on November 27, 2021.

2. The Board of Directors of our Company in their meeting conducted on Monday, June 20, 2022, approved this Issue inter-alia on the following terms.

Issue Size	₹4,924.56 Lakhs (Forty-Nine Crores Twenty-Four Lakhs Fifty-Five Thousand Six Hundred and Twenty Only) (*Assuming full subscription)*;
Issue Price	₹20.00/- (Rupees Twenty Only) per Right Share (including a premium of ₹10.00/- (Rupees Ten Only) per Right Share);
Issue Entitlement Ratio	24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. Friday, June 24, 2022;
Record Date	Friday, June 24, 2022;

3. The Issue Price shall be determined at in consultation with the Lead Manager to the Issue;

4. The Draft Letter of Offer was approved and filed by the Board on Tuesday, January 11, 2022, with BSE Limited. However, the Board of Directors vide Board resolution dated Wednesday, April 27, 2022, revised the Issue and filed the revised Letter of Offer with BSE Limited;

5. Receipt of In-principle approval from BSE Limited in accordance with Regulation 28 (1) of SEBI (LODR) Regulations for listing of the Right Shares proposed to be allotted pursuant Issue vide a letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;

6. The Board of Directors vide Board resolution dated Monday, June 20, 2022, approved the Rights Issue Price, Record Date, and other terms and conditions for the purpose of this Rights Issue;

7. The Board of Directors vide Board resolution dated Friday, June 24, 2022, approved this Letter of Offer;

8. Our Company has been allotted the ISIN INE521L20014 for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Shareholders of our Company.

PROHIBITION BY SEBI OR RBI OR OTHER GOVERNMENTAL AUTHORITIES

1. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been prohibited or debarred from accessing or operating in the capital markets, or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

2. The companies with which our Directors or the persons in control of our Company are or were associated as promoter, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been identified as Wilful Defaulters by the RBI;

4. None of our Directors are associated with the securities market in any manner;

5. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;

6. None of our Directors currently holds nor have held directorship(s) in the last five years in a listed Company whose shares have been or were suspended from trading on any stock exchange or in a listed Company which has been / was delisted from any stock exchange;

7. There are no proceedings initiated by SEBI, Stock Exchange, or ROC, etc., against our Company, Directors, Group Companies;

ELIGIBILITY FOR THE ISSUE

1. Our Company is a listed company incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the BSE Limited. Our Company is eligible to offer and issue Right Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI (ICDR) Regulations;

2. Our Company is undertaking this Right Issue in compliance with Part B of Schedule VI of the SEBI (ICDR) Regulations. Our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue.

COMPLIANCE WITH SEBI (ICDR) REGULATIONS

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

2. Our Company is in compliance with requirements of Regulation 61 and Regulation 62 of the SEBI (ICDR) Regulations to the extent applicable;

3. Further, in relation to compliance Regulation 62 (1) (a) of the SEBI (ICDR) Regulations, our Company undertakes to make an application to BSE Limited for listing of the Right Shares to be issued pursuant to this Issue;

COMPLIANCE WITH CLAUSE (1) OF PART B OF SCHEDULE VI OF SEBI (ICDR) REGULATIONS

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

1. Our Company has been filing periodic reports, statements, and information in compliance with the Listing Agreement or the SEBI (LODR) Regulations, as applicable for the last one year immediately preceding the date of filing of the Letter of Offer with the SEBI and until date;

2. The reports, statements and information referred to above in clause (1) are available on the website of BSE Limited;

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board our Directors as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI (ICDR) Regulations, disclosures in this Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of SEBI (ICDR) Regulations.

COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

Our Company is in compliance with the provisions of the Companies (Significant Beneficial Ownership) Rules, 2018.

DISCLAIMER CLAUSE OF SEBI

The Letter of Offer has not been filed with SEBI in terms of SEBI (ICDR) Regulations as the size of issue is up to ₹5,000.00 Lakhs.

As required, a copy of the Letter of Offer will be submitted to SEBI.

DISCLAIMER CLAUSES FROM OUR COMPANY

Our Company accept no responsibility for the statements made otherwise than in this Letter of Offer or in any advertisement or other materials issued by us or by any other persons at our instance and anyone placing reliance on any other source of information would be doing so at his/ her own risk.

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

CAUTION

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

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

DISCLAIMER WITH RESPECT TO JURISDICTION

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

DESIGNATED STOCK EXCHANGE

The Designated Stock Exchange for the purpose of this Issue will be BSE Limited.

DISCLAIMER CLAUSE OF BSE LIMITED

As required, a copy of this Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022, to use its name in this Letter of Offer as the stock exchange on which this Company's securities are proposed to be listed. The Exchange has scrutinized this letter of offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Letter of Offer; or

2. Warrant that our Company's Equity Shares will be listed or will continue to be listed on BSE Limited; or

3. Take any responsibility for the financial or other soundness of our Company, its management or any scheme or project of our Company;

And it should not for any reason be deemed or construed that this Letter of Offer has been cleared or approved by the BSE Limited.

Every Investor who desires to apply for or otherwise acquires any Equity Shares of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE Limited whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

FILING

The Draft Letter of Offer has not been filed with the SEBI for its observations as the size of the issue is up to ₹5,000.00 Lakhs which does not require issuer to file Draft Letter of Offer with SEBI. The Company has filed Draft Letter of Offer with the Stock Exchanges for obtaining in-principle approval.

SELLING RESTRICTIONS

The distribution of this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, Application Form, and the issue of Right Shares, to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Letter of Offer, the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, or Application Form may come are required to inform themselves about and observe such restrictions.

We are making this Issue of Equity Shares on a rights basis to the Eligible Shareholders and will send/ dispatch the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form only to email addresses of such Eligible Shareholders who have provided an Indian address to our Company. 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 e-mail the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form, shall not be sent the Letter of Offer, Abridged Letter of Offer, Entitlement Letter, and Application Form. Further, the Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company 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 BSE Limited. Accordingly, our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Letter of Offer, the Abridged Letter of Offer, the Entitlement Letter, and the Application Form.

No action has been or will be taken to permit this Issue in any jurisdiction or the possession, circulation, or distribution of this Letter of Offer, Abridged Letter of Offer, and Application Form or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction where action would be required for that purpose.

Accordingly, the Rights Entitlements or Right Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Right Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form should not, in connection with the issue of the Rights Entitlements or Right Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and/or Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Right Shares referred to in this Letter of Offer, Abridged Letter of Offer, Entitlement Letter and Application Form. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Right Shares in this Issue must provide an Indian address.

No information in this Letter of Offer should be considered to be business, financial, legal, tax or investment advice.

Any person who makes an application to acquire Rights Entitlement and the Right Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlement and the Right Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

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

The contents of this Letter of Offer and Abridged Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Right Shares or Rights Entitlements. As a result, each Investor should consult its own counsel, business advisor, and tax advisor as to the legal, business, tax, and related matters concerning the offer of Right Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager nor any of their respective affiliates are making any representation to any offeree or purchaser of the Right Shares or the Rights Entitlements regarding the legality of an investment in the Right Shares or the Rights Entitlements by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Entitlements and the Right Shares have not been and will not be registered under the United States Securities Act, 1933, as amended, 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 or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act, except in a transaction exempt from the registration requirements of the Securities Act. The Rights Entitlements and Right Shares referred to in this Letter of Offer are being offered in India and in jurisdictions where such offer and sale of the Right 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.

Accordingly, this Letter of Offer, the Abridged Letter of Offer, Entitlement Letter, and Application Form should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe, is in the United States when the buy order is made. No payments for subscribing for the Right Shares shall be made from US bank accounts and all persons subscribing for the Right Shares and wishing to hold such Right Shares in registered form must provide an address for registration of the Right Shares in India.

We, the Registrar, the Lead Manager or any other person acting on behalf of us, reserve the right to treat as invalid any Application Form which:

a. **Does not include the certification set out in the Application Form to the effect that the subscriber does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the Rights Entitlements and the Right Shares in compliance with all applicable laws and regulations;**

b. **Appears to us or its agents to have been executed in, electronically transmitted from or dispatched from the United States;**

c. **Where a registered Indian address is not provided;**

d. Where we believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements;

And we shall not be bound to allot or issue any Right Shares in respect of any such Application Form.

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

INVESTOR GRIEVANCES AND REDRESSAL SYSTEM

1. Mechanism for Redressal of Investor Grievances

Our Company has made adequate arrangements for redressal of investor complaints in compliance with the corporate governance requirements under the SEBI (LODR) Regulations as well as a well-arranged correspondence system developed for letters of routine nature. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular bearing reference number 'CIR/OIAE/2/2011 dated June 3, 2011'. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

Our Company has a Stakeholders Relationship Committee comprising of 3 (three), members of the said committee, which meets at least once a year and as and when required. Its terms of reference include considering and resolving grievances of shareholders in relation to transfer of shares and effective exercise of voting rights. All investor grievances received by us have been handled by the Company Secretary and Compliance Officer.

The Investor complaints received by our Company are generally disposed of within 15 (Fifteen) days from the date of receipt of the complaint.

The average time taken by the Registrar to the Issue, **Purva Sharegistry (India) Private Limited** for attending to routine grievances will be within 30 (thirty) days from the date of receipt. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. We undertake to resolve the investor grievances in a time bound manner.

2. Investor Grievances arising out of this Issue

Our Company's investor grievances arising out of the Issue will be handled by **Purva Sharegistry (India) Private Limited**, who is the Registrar to the Issue. The Registrar to the Issue will have a separate team of personnel handling only post- Issue correspondence.

The agreement between our Company and the Registrar to the Issue will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice to enable the Registrar to redress grievances of Investors.

All grievances relating to this Issue may be addressed to the Registrar to the Issue giving full details such as folio no., name and address, Contact Number, Email-ID of the first applicant, number and type of Equity Shares applied for, Application Form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be seven to ten days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to the Issue to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Investors may contact the Company Secretary and Compliance Officer of our Company and/ or Registrar to the Issue at the below mentioned address in case of any pre-Issue/ post-Issue related problems such as non-receipt of allotment advice/ demat credit etc.

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer of our Company of our Company for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process may be

addressed to the Registrar to the Issue, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e mail address of the sole/ first holder, folio number or demat account number, number of Right Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip. For details on the ASBA process, please refer to the section titled ***'Terms of the Issue'*** on page 143 of this Letter of Offer.

The Contact Number of the Registrar to the Issue and the Company Secretary and Compliance Officer of our Company are as follows:

Company Secretary and Compliance Officer	Registrar to the Issue
Prajna Prakash Naik **Address:** E-109, Crystal Plaza, New Link Road, Andheri (West), Mumbai - 400053 Maharashtra, India; **Contact Number:** +91-9152096140; **Email-ID:** banasfin@gmail.com.	**Purva Sharegistry (India) Private Limited** **Address:** Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai - 400011, Maharashtra, India; **Contact Number:** + 91-22-2301 2518 /6761; **E-mail ID / Investor grievance e-mail:** support@purvashare.com; **Website:** www.purvashare.com; **Contact Person:** Ms. Deepali Dhuri; **SEBI Registration Number:** INR000001112;

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Investors are requested to note that application in this Issue can only be made through ASBA.

OVERVIEW

This Issue and the Right Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the BSE Limited and the terms and conditions as stipulated in the Allotment advice.

IMPORTANT

1. Dispatch and availability of Issue materials

In accordance with the SEBI ICDR Regulations, ASBA Circular, our Company will send/dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Entitlement Letter, Application Form and other issue material ("Issue Materials") only to the Eligible Shareholders who have provided an India address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible 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 Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the India addresses provided by them.

Further, the Letter of Offer will be sent/dispatched, by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses and have made a request in this regard. In case such Eligible Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case such Eligible 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 or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard.

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

a. Our Company's website at www.banasfinance.wordpress.com;

b. Registrar to the Issue's website at www.purvashare.com;

c. BSE Limited's website at www.bseindia.com;

d. Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue's website at www.purvashare.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 at www.banasfinance.wordpress.com.

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation and pursuant to the SEBI Rights Issue Circulars, our Company, the Lead Manager, and the Registrar to the Issue will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. Facilities for Application in this Issue

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI - Rights Issue Circulars and 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, detailed in Paragraph titled *'Procedure for Application through the ASBA Process'* on page 156 this Letter of Offer.

A. ASBA facility

Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, Paragraph titled ***'Procedure for Application through the ASBA Process'*** on page 156 of this Letter of Offer.

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, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

B. Credit of Rights Entitlements in demat accounts of Eligible Shareholders

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 Right Shares shall be made in dematerialized form only.

Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

a) The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialised form; and

b) A demat suspense escrow account (namely, 'PSIPL Banas Finance Limited-Unclaimed Suspense Account') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

(i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or

(ii) Equity Shares held in the account of IEPF authority; or

(iii) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or

(iv) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company;or

(v) Credit of the Rights Entitlements returned/ reversed/ failed; or

(vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable; or

(vii) Eligible Equity Shareholders who have not provided their Indian addresses

Eligible Shareholders as on Record Date 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 to the Issue not later than 2 (Two) Working Days prior to the Issue Closing Date, i.e., not later than not later than Friday, July 15, 2022, being 2 (Two) Working Days prior to the Issue Closing Date being Tuesday, July 19, 2022, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts on Monday, July 18, 2022, being at least 1 (One) day before the being Tuesday, July 19, 2022, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible 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 the Issue, to facilitate the aforementioned transfer.

C. Application by Eligible Shareholders holding Equity Shares in physical form

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 Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to our Company or Registrar at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

In accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the 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 our Company or Registrar at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. Application by such Eligible Equity Shareholders is subject to following conditions:

a) The Eligible Equity Shareholders are residents;

b) The Eligible Equity Shareholders are not making payment from non-resident account;

c) The Eligible Equity Shareholders shall not be able to renounce their Rights Entitlements; and

d) The Eligible Equity Shareholders shall receive Rights Equity Shares, in respect of their Application, only in demat mode.

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

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company containing the name(s), Indian address, email address, Contact Number 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 post, speed post, courier, electronic mail, or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

OTHER IMPORTANT LINKS AND HELPLINE

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

1. Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: www.purvashare.com;

2. Updating of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar to the Issue or our Company: support@purvashare.com;

3. Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: support@purvashare.com

4. Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Shareholders: www.purvashare.com ;

RENOUNCEES

All rights and obligations of the Eligible Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

AUTHORITY FOR THE ISSUE

The Issue has been authorized by a resolution of Board of Directors of our Company passed at their meeting held on December 24, 2021 in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on Monday, June 20, 2022 have determined the Issue Price at ₹20.00/- (Rupees Twenty Only) per Equity Share and the issue of Rights Issue of 2,46,22,781(Two Crores Forty-Six Lakhs Twenty-Two Thousand Seven Hundred and Eighty-One) Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date, in this case being 24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by an Eligible Shareholder.

The Issue Price has been arrived at in consultation with the Lead Manager.

BASIS FOR THIS ISSUE

The Right Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

RIGHTS ENTITLEMENTS

Eligible Shareholders whose names appear as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all 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 Entitlements 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, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Shareholders can also obtain the details of their respective Rights Entitlements from the Registrar to the Issue's website at www.purvashare.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 our Company's website at www.banasfinance.wordpress.com.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Rights Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Rights Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Rights Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the Registrar's website at www.purvashare.com. Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Shareholders and will send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form only to email addresses of Eligible Shareholders who have provided their Indian address to our Company or who are located in jurisdictions where this Issue and sale of the Rights Entitlements or Right 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. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company and the Lead Manager to the Eligible Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Entitlement or Right 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 and in each case who make a request in this regard. The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company, and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) and on the BSE Limited's website. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Right Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer filed with BSE Limited and the Letter of Offer to be filed with SEBI and the BSE Limited. Accordingly, the Rights Entitlements and Right Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, or the Application Form should not, in connection with the issue of the Right Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Forms received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes and Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Right Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

1. Face Value

Each Right Shares will be having face value of ₹10.00 (Rupee Ten Only).

2. Issue Price

Each Rights Equity Share is being offered at a price of ₹20.00/- (Rupees Twenty Only) per Right Share, including a premium of ₹10.00/- (Rupees Ten Only) in this Issue, issued in 1 (One) Rights Entitlement.

The Issue Price for Right Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

3. Rights Entitlements Ratio

The Right Shares are being offered on a rights basis to the Eligible Shareholders in the ratio of 24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by an Eligible Shareholder as on the Record Date.

4. Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

5. Terms of Payment

Each Rights Share is being offered at a price of ₹20.00/- (Rupees Twenty Only) per Right Share, including a premium of ₹10.00/- (Rupees Ten Only) in this Issue, for every 1 (One) Rights Share allotted in this Issue.

Where an Applicant has applied for additional Right Shares and is Allotted a lesser number of Right Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. If there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

6. Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

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

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see ***'Procedure for Renunciation of Rights Entitlements'*** on page 157 of this Letter of Offer.

In accordance with SEBI circulars the Eligible 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 2 (Two) Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements. However, as on date, none of the equity shareholders of the Company hold Equity Shares in physical form.

7. Process of Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Issue Circulars, the credit of Rights Entitlements and Allotment of Right Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to:

a. The demat accounts of the Eligible Shareholders holding the Equity Shares in dematerialized form; and

b. A demat suspense escrow account (namely, 'PSIPL Banas Finance Limited-Unclaimed Suspense Account') opened by our Company, for the Eligible Shareholders which would comprise Rights Entitlements relating to:

(i) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI (LODR) Regulations; or

(ii) Equity Shares held in the account of IEPF authority; or

(iii) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar.

(iv) The demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or

(v) Credit of the Rights Entitlements returned/ reversed/ failed; or

(vi) The ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE521L20014. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Shareholders whose Rights Entitlement are credited in demat suspense account 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 Friday, July 15, 2022, being 2 (Two) Working Days prior to the Issue Closing Date being Tuesday, July 19, 2022, to enable the credit of their Rights Entitlements in their de-mat accounts on Monday, July 18, 2022, being at least 1 (One) day before the being Tuesday, July 19, 2022, to enable such Eligible Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Shareholders in this regard. Such Eligible 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 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.purvashare.com . Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Shareholders can be accessed by such respective Eligible Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

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, PLEASE REFER TO THE PARAGRAPH TITLED 'PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS' ON PAGES 148 OF THIS LETTER OF OFFER.

8. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of 24 (Twenty-Four) Rights Shares for every 25 (Twenty-Five) Equity Shares held by an Eligible Shareholder 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 Shareholders is less than 25 (Twenty-Five) Equity Shares or is not in the multiple of 25 (Twenty-Five) Equity Shares, the fractional entitlements of such Eligible Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Right Shares over and above their Rights Entitlements, if any, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 24 (Twenty-Four) Equity Shares, such Equity Shareholder will be entitled to 23 (Twenty-Three) Rights Equity Share(s) and will also be given a preferential consideration for the Allotment of one additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Right Shares, over and above his/ her Rights Entitlements, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Shareholders holding less than 2 (Two) Equity Shares shall have 'zero' entitlement for the Right Shares. Such Eligible Shareholders are entitled to apply for additional Right Shares and will be given preference in the Allotment of one Right Shares, if such Eligible Shareholders apply for additional Right Shares, subject to availability of Right Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

9. Ranking of Equity Shares

The Right Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI (ICDR) Regulations, the SEBI (LODR) Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchange and the terms and conditions as stipulated in the Allotment advice.

The Right Shares being issued and allotted shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Right Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

10. Trading of the Rights Entitlements

In accordance with the ASBA Circulars and SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the BSE Limited under ISIN INE521L20014. Prior to the Issue Opening Date, our Company will obtain the approval from the BSE Limited for trading of Rights Entitlements. Investors shall be able to trade 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.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from Tuesday, July 05, 2022, to Thursday, July 14, 2022 (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For

details, see ***'Procedure for Renunciation of Rights Entitlements – On Market Renunciation'*** and ***'Procedure for Renunciation of Rights Entitlements – Off Market Renunciation'*** on page 157 of this 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.

11. Listing and trading of the Right Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Right Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the BSE Limited. Unless otherwise permitted by the SEBI (ICDR) Regulations, the Right Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Right Shares will be taken within such period prescribed under the SEBI (ICDR) Regulations. Our Company has received in-principle approval from the BSE pursuant to its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022. Our Company will apply to the BSE Limited for final approvals for the listing and trading of the Right Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Right Shares or the price at which the Right Shares offered under this Issue will trade after the listing thereof.

The Right Shares shall be listed and admitted for trading on the BSE Limited under separate ISINs for Right Shares. The procedures for listing and trading of Right Shares shall be completed within 7 (Seven) Working Days from the date of finalization of the Basis of Allotment.

The process of corporate action for crediting the fully paid-up Right Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code **'BANASFN'** under ISIN **INE521L01030**. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Right Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid up Equity share of our company.

The listing and trading of the Right Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the BSE Limited, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within 4 (Four) days of receipt of intimation from the BSE Limited, rejecting the application for listing of the Right Shares, and if any such money is not refunded/ unblocked within 4 (Four) days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the eighth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

12. Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see the paragraph titled '***Intention and extent of participation by our Promoter and Promoter Group'*** under the section titled ***'Capital Structure'*** on page 43 of this Letter of Offer.

13. Rights of holders of Right Shares of our Company

Subject to applicable laws, holders of the Right Shares shall have the following rights:

a. The Right Shares shall rank *pari-passu* with the existing Equity Shares in all respects;

b. The right to receive dividend, if declared;

c. The right to vote in person, or by proxy, except in case of Right Shares credited to the demat suspense account for resident Eligible Shareholders;

d. The right to receive surplus on liquidation;

e. The right to free transferability of Right Shares;

f. The right to attend general meetings of our Company and exercise voting powers in accordance with law; and

g. Such other rights as may be available to a shareholder of a listed public Company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Right Shares shall be entitled to the above rights in proportion to amount paid-up on such Right Shares in this Issue.

GENERAL TERMS OF THE ISSUE

1. Market Lot

The Right Shares of our Company shall be tradable only in dematerialized form. The market lot for the Right Shares in dematerialized mode is 1 (One) Equity Share.

2. Minimum Subscription

Pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2020, our Company is not required to achieve minimum subscription for the Rights Issue on account of the following reason:

a. Objects of the issue being other than capital expenditure for a project; and

b. Our Promoter and Promoter Group have confirmed that they will subscribe to their right entitlement, in part or to full extent and will not renounce rights except to the extent of renunciation within the promoter group

The objects of the Rights Issue involve financing other than the financing of capital expenditure for a project.

3. Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Right Shares offered in this Issue.

4. Nomination

Nomination facility is available in respect of the Right Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Right Shares to be Allotted in this Issue. Nominations registered with the respective Depository Participants of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

5. Arrangements for Disposal of Odd Lots

The Right Shares are traded in dematerialized form only and therefore the marketable lot is 1 (One) Equity Share and hence no arrangements for disposal of odd lots are required.

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

There are no restrictions on transfer and transmission and on their consolidation/splitting of shares issued pursuant to this Issue. However, the Investors should note that pursuant to provisions of the SEBI (LODR) Regulations, with effect from April 1, 2019, except in case of transmission or transposition of securities, the request for transfer of securities shall not be affected unless the securities are held in the dematerialized form with a depository.

7. Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material only to the Eligible 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 Right 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 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 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.

The Letter of Offer will be provided by the Registrar to the Issue on behalf of our Company to the Eligible Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible 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 Shareholders have not provided their email address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

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

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchange for making the same available on their website.

OFFER TO NON-RESIDENT ELIGIBLE SHAREHOLDERS/INVESTORS

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue Right Shares to non-resident shareholders including additional Right Shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things:

1. Subscribe for additional Equity Shares over and above their Rights Entitlements;
2. Renounce the Right Shares offered to them either in full or in part thereof in favour of a person named by them; or
3. Apply for the Equity Shares renounced in their favour.

Applications received from NRIs and non-residents for allotment of Right Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Right Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar by email on www.purvashare.com or physically/postal means at the address of the Registrar mentioned on the cover page of this Letter of Offer. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. The Board of Directors may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Right Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Right Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (hereinafter referred to as **'OCBs'**) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Shareholders can update their Indian address in the records maintained by the Registrar through email at www.purvashare.com and our Company through email at www.banasfin.wordpress.com by submitting their respective copies of self-attested proof of address, passport, etc.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars 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.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "***Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form***" on page 161 of this Letter of Offer.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Right Shares offered as part of this Issue would be sent/ dispatched to the Eligible Shareholders only to

(i) E-mail addresses of resident Eligible Shareholders who have provided their e-mail addresses;

(ii) Indian addresses of the resident Eligible Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Shareholders have not provided the valid email address to our Company;

(iii) Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and

(iv) E-mail addresses of foreign corporate or institutional shareholders.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least 3 (Three) days before the Issue Opening Date.

In case of non-resident Eligible Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through e-mail address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Right Shares is permitted under laws of such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non- availability of the e-mail addresses of Eligible Shareholders or electronic

transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Shareholders should visit www.purvashare.com . Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Right Shares under applicable securities laws) from the websites of:

(i) Our Company at www.banasfin.wordpress.com.

(ii) The Registrar at www.purvashare.com;

(iii) The Lead Manager at www.capitalsquare.in;

(iv) The Stock Exchange at www.bseindia.com;

The Eligible Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar at www.purvashare.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) and PAN. The link for the same shall also be available on the website of our Company at www.banasfin.wordpress.com

The Application Form can be used by the Eligible Shareholders as well as the Renouncees, to make Applications in this Issue on the basis of the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI (ICDR) Regulations, such Investors will have to apply for the Right 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 Right Shares by:

(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 authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or
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 165 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, Stock Exchanges, 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 158 of this Letter of Offer.

OPTIONS AVAILABLE TO THE ELIGIBLE SHAREHOLDERS

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

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

1. Apply for its Right Shares to the full extent of its Rights Entitlements; or
2. Apply for its Right Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Right Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Right Shares to the full extent of its Rights Entitlements and apply for additional Right Shares; or
5. Renounce its Rights Entitlements in full.

PROCEDURE FOR APPLICATION THROUGH THE ASBA PROCESS

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form 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.

ACCEPTANCE OF THIS ISSUE

Investors may accept this Issue and apply for the Right Shares:

1. Submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts, or

Please note that on the Issue Closing Date:

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

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

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ***'Application on Plain Paper under ASBA processes*** on page 150 of this Letter of Offer.

ADDITIONAL RIGHT SHARES

Investors are eligible to apply for additional Right Shares over and above their Rights Entitlements, provided that they are eligible to apply for Right Shares under applicable law and they have applied for all the Right Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of 1 Rights Equity. Where the number of additional Right 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 Right 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 168 of this Letter of Offer.

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

Pursuant to the ASBA 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 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.

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. Such renunciation shall result in renouncement of the Right Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

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 stockbroker 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.

(i) 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 Exchanges 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 Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges 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., from Tuesday, July 05, 2022, to Thursday, July 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 stockbrokers by quoting the ISIN INE521L20014 (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement bases, where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stockbroker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(ii) 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 dematerialized form only.

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

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 (for Rights Entitlement) that shall be allotted for the Rights Entitlement, 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.

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

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

(i) Name of our Company, being ***'Banas Finance Limited'***;

(ii) Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

(iii) Registered Folio No./DP and Client ID No.;

(iv) Number of Equity Shares held as on Record Date;

(v) Allotment option – only dematerialized form;

(vi) Number of Right Shares entitled to;

(vii) Total number of Right Shares applied for;

(viii) Number of additional Right Shares applied for, if any;

(ix) Total number of Right Shares applied for;

(x) Total amount payable being ₹20.00/- (Rupees Twenty Only), including a premium of ₹10.00/- (Rupees Ten Only) for Right Shares issued in one Rights Entitlement;

(xi) Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

(xii) In case of non-resident Eligible 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.

(xiii) 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;

(xiv) Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

(xv) Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and

(xvi) 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 Managers 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 Managers 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 Managers, 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.purvashare.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.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility.

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

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

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalization of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB. The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

i. Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

ii. Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

(i) Individual non-resident Indian Applicants who are permitted to subscribe to Right Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager;

Note: In case of non-resident Eligible Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Shareholders at (i) the Indian addresses of the non-resident Eligible Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

(ii) Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Right Shares may be restricted by applicable securities laws;

(iii) Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI;

Notes

(i) In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Right Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act;

(ii) In case Right Shares Are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Right Shares cannot be remitted outside India;

(iii) In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals;

(iv) Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Right Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment;

(v) In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account;

(vi) Non-resident Renouncees who are not Eligible Shareholders must submit regulatory approval for applying for additional Right Shares;

APPLICATION BY ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

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 dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

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

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.purvashare.com .

PROCEDURE FOR APPLICATION BY ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM

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 to the Issue containing the name(s), address, e-mail address, Contact Number 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 e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar to the Issue no later than two Working Days prior to the Issue Closing Date. The Eligible Equity

Shareholders are encouraged to send the details by e-mail due to lockdown and restrictions imposed due to current pandemic COVID-19;

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;

c) The Eligible Equity Shareholders can access the Application Form from:

- Our Company at www.banasfin.wordpress.com;
- The Registrar to the Issue at www.purvashare.com;
- The Lead Manager at www.capitalsquare.in;
- The Stock Exchange at www.bseindia.com ;

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar to the Issue www.purvashare.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 www.banasfin.wordpress.com.

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 authorizing 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 EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

ALLOTMENT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE *'ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS'* ON PAGE 169 OF THIS LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Letter of Offer carefully to understand the Application process and applicable settlement process;
2. Please read the instructions on the Application Form sent to you;
3. The Application Form can be used by both the Eligible Shareholders and the Renouncees;
4. Application should be made only through the ASBA facility;
5. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English;

6. In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section ***'Application on Plain Paper under ASBA processes*** on page 158 of this Letter of Offer;

7. In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars 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;

8. An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

9. Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges or such extended time as permitted by the BSE Limited;

10. Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager;

11. In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form;

12. All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected**. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Right Shares pursuant to this Issue shall be made into the accounts of such Investors. Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.

13. In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon;

14. For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB;

15. In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant;

16. All communication in connection with Application for the Right Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable; In case of any change in address of the Eligible Shareholders, the Eligible Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Shares in physical form;

17. 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, Applications made through

ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility;

18. In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 02, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications;

19. Investors are required to ensure that the number of Right Shares applied for by them do not exceed the prescribed limits under the applicable law;

20. An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue;

Do's:

1. Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number;

2. Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act;

3. Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects;

4. Investors should provide correct DP-ID and client-ID/ folio number while submitting the Application. Such DP-ID and Client-ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections;

5. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Right Shares will be Allotted in the dematerialized form only;

6. Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application;

7. Ensure that there are sufficient funds (equal to {number of Right Shares (including additional Right Shares) applied for} X {Application Money of Right Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB;

8. Ensure that you have authorized the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same;

9. Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location;

10. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form on a plain paper Application;

11. Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter;

Don'ts:

1. Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction;

2. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;

3. Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application;

4. Do not pay the Application Money in cash, by money order, pay order or postal order;

5. Do not submit multiple Applications.

6. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;

7. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;

8. Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only;

9. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUNDS FOR TECHNICAL REJECTION

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

1. DP-ID and Client-ID mentioned in Application not matching with the DP-ID and Client ID records available with the Registrar;

2. Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company;

3. Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money;

4. Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders;

5. Account holder not signing the Application or declaration mentioned therein;

6. Submission of more than one Application Forms for Rights Entitlements available in a particular demat account;

7. Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application;

8. Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts);

9. Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

10. Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB;

11. Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Letter of Offer;

12. Physical Application Forms not duly signed by the sole or joint Investors;

13. Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, and money order, postal order or outstation demand drafts;

14. If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements;

15. Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Right Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Right Shares in respect of any such Application Form;

16. Applications which have evidence of being executed or made in contravention of applicable securities laws;

17. Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar;

18. Applications by a non-resident without the approval from RBI with respect to Rule 7 of the FEMA Rules;

DEPOSITORY ACCOUNT AND BANK DETAILS FOR INVESTORS HOLDING SHARES IN DEMAT ACCOUNTS AND APPLYING IN THIS ISSUE

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.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Right Shares are not Allotted to such Investor. Please note

that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

MULTIPLE APPLICATIONS

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Right Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see ***'Procedure for Applications by Mutual Funds'*** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

LAST DATE FOR APPLICATION

The last date for submission of the duly filled in the Application Form or a plain paper Application is Tuesday, July 19, 2022, i.e., Issue Closing Date. The Board of Directors may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Board of Directors, the invitation to offer contained in this Letter of Offer shall be deemed to have been declined and the Board of Directors shall be at liberty to dispose of the Right Shares hereby offered, as provided under the section, ***'Basis of Allotment'*** on page 168 of this Letter of Offer.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the BSE Limited, and or such extended time as permitted by the BSE Limited.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

WITHDRAWAL OF APPLICATION

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no investor applying through ASBA facility may withdraw their Application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	Monday, July 04, 2022
Issue Opening Date	Tuesday, July 05, 2022
Last Date for On Market Renunciation*	Thursday, July 14, 2022
Issue Closing Date	Tuesday, July 19, 2022
Finalisation of Basis of Allotment (on or about)	Wednesday, July 27, 2022

Date of Allotment (on or about)	Thursday, July 28, 2022
Date of Credit (on or about)	Monday, August 01, 2022
Date of Listing (on or about)	Tuesday, August 02, 2022

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

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than Friday, July 15, 2022, being 2 (Two) Working Days prior to the Issue Closing Date being Tuesday, July 19, 2022, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts on Monday, July 18, 2022, being at least 1 (One) day before the being Tuesday, July 19, 2022.

Our Board of Directors may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date).

BASIS OF ALLOTMENT

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

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlements of Right Shares either in full or in part and also to the Renouncee(s) who has or have applied for Right Shares renounced in their favour, in full or in part.

2. Eligible Shareholders whose fractional entitlements are being ignored and Eligible Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Right Shares. Allotment under this head shall be considered if there are any unsubscribed Right Shares after allotment under (a) above. If number of Right Shares required for Allotment under this head are more than the number of Right Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Shareholders who having applied for all the Right Shares offered to them as part of this Issue, have also applied for additional Right Shares. The Allotment of such additional Right Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Right Shares after making full Allotment in (1) and (2) above. The Allotment of such Right Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Right Shares renounced in their favour, have applied for additional Right Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Right Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

5. Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

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

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

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will e-mail Allotment advice, refund intimations or demat credit of Right Shares and/or letters of regret, along with crediting the Allotted Right Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 (Fifteen) days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are 'officers in default' shall pay interest at 15% (Fifteen Percent) p.a. and such other rate as specified under applicable law from the expiry of such 15 (Fifteen) days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI (ICDR) Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

CREDIT AND TRANSFER OF RIGHTS EQUITY SHARES IN CASE OF SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM AND DISPOSAL OF RIGHTS EQUITY SHARES FOR NON-RECEIPT OF DEMAT ACCOUNT DETAILS IN A TIMELY MANNER

In case of Allotment to resident Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, have paid the Application Money and have not provided the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, the following procedure shall be adhered to:

a) The Registrar shall send Allotment advice and credit the Rights Equity Shares to a demat suspense account to be open by our Company;

b) Such Eligible Equity Shareholders shall be required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, Contact Number 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 post, speed post, courier, electronic mail or hand delivery;

c) Our Company (with the assistance of the Registrar) shall, after verification of the details of such demat account by the Registrar, transfer the Rights Equity Shares from the demat suspense account to the demat accounts of such Eligible Equity Shareholders;

d) Our Company shall send reminder notices seeking the requisite details of demat account, in due course, to such resident Eligible Equity Shareholders who have not provided the requisite details; and

e) In case the details of demat account provided by the Eligible Equity Shareholders are not of his/ her own demat account, the Rights Equity Shares shall remain in the demat suspense account.

Notes:

a) Our Company will open a separate demat suspense account to credit the Rights Equity Shares in respect of such Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date and have not provided details of their demat accounts to our Company or the Registrar, at least two Working Days prior to the Issue Closing

Date. Our Company, with the assistance of the Registrar, will initiate transfer of such Rights Equity Shares from the demat suspense account to the demat account of such Eligible Equity Shareholders, upon receipt of details of demat accounts from the Eligible Equity Shareholders.

b) The Eligible Equity Shareholders cannot trade in such Rights Equity Shares until the receipt of demat account details and transfer to such Eligible Equity Shareholders' respective account.

c) There will be no voting rights against such Rights Equity Shares kept in the demat suspense account. However, the respective Eligible Equity Shareholders will be eligible to receive dividends, if declared, in respect of such Rights Equity Shares in proportion to amount paid-up on the Rights Equity Shares, as permitted under applicable laws.

d) Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of buying or selling of Rights Equity Shares or Rights Entitlements. The Eligible Equity Shareholders should obtain their own independent tax and legal advice and may not rely on our Company or any of their affiliates including any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Rights Equity Shares (including but not limited to any applicable short-term capital gains tax, or any other applicable taxes or charges in case of any gains made by such Eligible Equity Shareholders from the sale of such Rights Equity Shares).

e) The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not be liable in any manner and not be responsible for acts, mistakes, errors, omissions and commissions, etc., in relation to any delay in furnishing details of demat account by such Eligible Equity Shareholders, any resultant loss to the Eligible Equity Shareholders due to sale of the Rights Equity Shares, if such details are not correct, demat account is frozen or not active or in case of non-availability of details of bank account of such Eligible Equity Shareholders, profit or loss to such Eligible Equity Shareholders due to aforesaid process, tax deductions or other costs charged by our Company, or on account of aforesaid process in any manner.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes.

Unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SHARES

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

RECEIPT OF THE RIGHT SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHT SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

1. THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

2. THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANYOR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE,

OR

3. DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM / WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Right Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHT SHARES CAN BE TRADED ON THE BSE LIMITED ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Right Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Right Shares and the Application Form will be rejected.

5. The Right Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Shareholders in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Right Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Right Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

PROCEDURE FOR APPLICATION BY CERTAIN CATEGORIES OF INVESTORS

1. Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required

to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

2. Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility onlyOtherwise, applications of such AIFs are liable for rejection.

3. Procedure for Applications by NRIs

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

As per the FEMA Rules, an NRI or Overseas Citizen of India ("OCI") may purchase or sell capital instruments of a listed Indian Company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian Company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

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

of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

4. Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

5. Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

IMPERSONATION

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

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

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

PAYMENT BY STOCKINVEST

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Rights Issue.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form upon submission of the Application.

Our Board of Directors of the Company reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at the prescribed rate. In case an application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

1. The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE Limited, where the Right Shares are to be listed are taken within the time limit specified by the SEBI.

3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 (Fifteen) days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.

6. Adequate arrangements shall be made to collect all ASBA applications.

UTILIZATION OF ISSUE PROCEEDS

Our Board declares that:

1. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.

2. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

3. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

IMPORTANT

1. 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.

2. 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 ***'BANAS FINANCE LIMITED – RIGHT ISSUE'*** on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED
   Address: Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India.
   Contact Number: 91-91-22-23010771 /022-49614132;
   E-mail ID: support@purvashare.com
   Investor grievance e-mail: support@purvashare.com
   Website: www.purvashare.com
   Contact Person: Ms. Deepali Dhuri
   SEBI Registration Number: INR000001112

3. In accordance with SEBI Rights Issue Circulars, 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. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 022 - 40430200 / 62638200.

4. This Issue will remain open for a minimum 15 (Fifteen) days. However, the Board of Directors will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the 'automatic route', where no government approval is required under Indian foreign exchange laws to make an investment if it is within prescribed thresholds for the relevant sector. The other route is the "government route", where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

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

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

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

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that:

1. The activities of the investee company fall under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI (SAST) Regulations.

2. The non- resident shareholding is within the sectoral limits under the FDI Policy; and

3. The pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e., any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid to make any investment in the Issue.

The Lead Manager to the Issue and our Company will not be responsible for any allotments made by relying on such approvals. Please also note that pursuant to Circular no. 14 dated September 16, 2003, issued by RBI, Overseas Corporate Bodies have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for this issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and Foreign Exchange Management (Non-Debt Instrument) Rules, 2019. Further, while investing in the Issue, the Investors are deemed to

have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

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

SECTION X – OTHER INFORMATION

Please note that the Right Shares applied for under this Issue can be allotted only in dematerialised form and to (a) the same depository account/ corresponding pan in which the Equity Shares are held by such Investor on the Record Date, or (b) the depository account, details of which have been provided to our Company or the Registrar at least two working days prior to the Issue Closing Date by the Eligible Equity Shareholder holding Equity Shares in physical form as on the Record Date, or (c) demat suspense account where the credit of the Rights Entitlements returned/reversed/failed.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following material documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered more than 2 (Two) years prior to the date of this Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and the documents for inspection referred to hereunder, would be available on the website of the Company at www.banasfinance.wordpress.com in from the date of this Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated Monday, January 10, 2022, between our Company and the Registrar to the Issue.

2. Bankers to the Issue Agreement dated Tuesday, June 21, 2022, among our Company, the Lead Manager, the Registrar to the Issue and the Bankers to the Issue.

MATERIAL DOCUMENTS IN RELATION TO THE ISSUE

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Fresh certificate of incorporation issued by the Registrar pursuant to change of name of our Company.

3. Copies of annual report of our Company for the last three Financial Years ending March 31, 2021, March 31, 2020, March 31, 2019.

4. Copy of audited consolidated financial statements for the Financial Year ending March 31, 2022.

5. Copy of unaudited limited reviewed consolidated and standalone financial statements for the nine months and quarter ended December 31, 2021.

6. Resolution of our Board of Directors dated Friday, December 24, 2021, approving the Issue.

7. Resolution of our Board of Directors dated Monday, June 20, 2022, finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

8. Resolution of our Board of Directors dated Tuesday, January 11, 2022, approving Draft Letter of Offer.

9. Resolution of our Board of Directors dated Wednesday, April 27, 2022, approving this revised Draft Letter of Offer.

10. Resolution of our Board of Directors dated Friday, June 24, 2022, approving the Letter of Offer.

11. Consents of our Directors, Lead Manager, Bankers to our Company, Bankers to the Issue, and the Registrar to the Issue for inclusion of their names in the Letter of Offer to act in their respective capacities.

12. Report on Statement of Special Tax Benefits dated Thursday, January 06, 2022, for our Company from the Statutory Auditors of our Company.

13. In-principal approval issued by BSE Limited pursuant to this Issue from BSE Limited to its letter bearing reference number DCS/RIGHT/KK/FIP/2282/2022-23 dated Friday, June 03, 2022.

Any of the contracts or documents mentioned in this Letter of Offer may be amended or modified at any time if so, required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby declare that no statement made in this Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. We further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India, and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

Amit Gulecha
Sd/-
Managing Director

Vikas Kulhariya
Sd/-
Independent Director

Girraj Kishor Agrawal
Sd/-
Executive Director

Chirag Goyal
Sd/-
Independent Director

Tanu Girraj Agrawal
Sd/-
Non-Executive Director

Pratham Jethliya
Sd/-
Independent Director

Date: Wednesday, June 29, 2022
Place: Mumbai