



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 to from 'Pioneer Leasing Company Limited' to 'Banar 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 37 of this Draft 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; **Contact Person:** Prajna Prakash Naik, Company Secretary & Compliance Officer;

Email Address: banasfin@gmail.com; **Website:** www.banasfinance.wordpress.com

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF BANAS FINANCE LIMITED

PROMOTERS OF THE COMPANY ARE GIRRAJ KISHOR AGRAWAL, TANU GIRRAJ AGRAWAL, HANDFUL INVESTRADE PRIVATE LIMITED, AND HUNNAR JEWELS LIMITED (FORMERLY KNOWN AS AGRAWAL BULLION LIMITED LIMITED).

ISSUE OF UP TO [●] FULLY PAID-UP RIGHT EQUITY SHARES OF FACE VALUE OF ₹10.00/- (RUPEES TEN ONLY) ('EQUITY SHARES') EACH AT A PRICE OF ₹[●]/- (RUPEES [●] ONLY) PER EQUITY SHARE (INCLUDING A PREMIUM OF [●]/- (RUPEES [●] ONLY) PER RIGHT SHARE) ('ISSUE PRICE') ('RIGHT SHARE(S)') FOR AN AMOUNT UP TO ₹48,50,00,000.00/- (RUPEES FORTY-EIGHT CRORES FIFTY LAKHS ONLY) ON A RIGHTS ISSUE BASIS TO THE ELIGIBLE SHAREHOLDERS OF BANAS FINANCE LTD ('COMPANY' OR 'ISSUER') IN THE RATIO OF [●] RIGHT SHARES FOR EVERY [●] EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDERS AS ON THE RECORD DATE, [●] ('ISSUE'). THE ISSUE PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, KINDLY REFER TO THE SECTION TITLED 'TERMS OF THE ISSUE' BEGINNING ON PAGE 142 OF THIS DRAFT LETTER OF OFFER.

Assuming full subscription.

WILFUL DEFAULTERS

Neither our Company, nor our Promoters or our Directors are categorized as wilful defaulters 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 Draft Letter of Offer. Investors are advised to refer 'Risk Factors' beginning on page 22 of this Draft 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 Draft 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 Draft 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 Draft 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 listing of the Right Shares pursuant to its letter dated [●]. 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.

REGISTRAR TO THE ISSUE



PURVA SHAREREGISTRY (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: + 91-22-23012518/ 6761;

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**

[●]

[●]

[●]

*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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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

DEFINITIONS

This Draft 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 Draft Letter of Offer is intended for the convenience of the reader/prospective Applicant only and is not exhaustive.

References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

In this Draft 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 as the context requires, and references to ‘you’ are to the Eligible Equity Shareholders and/ or prospective Investors in this Right Issue of Equity Shares.

The words and expressions used in this Draft 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 55, 51, 118 and 142 respectively, shall have the meaning given to such terms in such sections.

COMPANY RELATED TERMS AND INDUSTRY 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 2015, as amended (“SEBI Listing Regulations”) and Section 177 of the Companies Act, 2013;
Auditors/ Statutory Auditors/ Peer Review Auditor	The current statutory auditors of our Company, M/s. A K Kocchar & Associates, Chartered Accountants;
Board of Directors/ Board	The Board of Directors of our Company or a duly constituted committee thereof or its duly authorised individuals.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company, Mrs. Babita Amit Mehta;
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company, Prajna Prakash Naik;
Consolidated Audited Financial Statements	The consolidated audited financial statements of our Company prepared in accordance with Ind AS for the Financial Years 2022, and 2023;
Consolidated Unaudited Limited Reviewed Financial Statements	The consolidated unaudited limited reviewed financial statement of our Company for the half-year ending September 30, 2023, prepared in accordance with Ind AS;
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);
Independent Director	Independent directors on the Board and eligible to be appointed as an Independent Director under the provisions of Companies Act and SEBI

Term	Description
	(LODR) Regulations. For details of the Independent Directors, please refer to section titled ' Our Management ' beginning on page 66 of this Draft Letter of Offer;
Company's ISIN	International Securities Identification Number of our Company being INE521L01030;
Key Management Personnel /KMP	The Key Managerial Personnel of our Company as per the definition provided in Regulation 2(1) (bb) of the SEBI ICDR Regulations
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 Agarwal, Handful Investrade Private Limited, and Hunnar Jewels Limited (Formerly known as Agrawal Bullion 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 2013;
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 Equity 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 (i) submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application

Term	Description
	through the website of the SCSBs (if made available by such 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 or 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 ₹[●] (Rupees [●] 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, as the case may be, 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'; The SEBI Circular SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022
Bankers to the Issue/ Refund Bank	Collectively, the Escrow Collection Bank and the Refund Bank to the Issue, in this case being [●];
Bankers to the Issue Agreement	Agreement dated [●] amongst our Company, the Registrar to the Issue and the Banker(s) to the Issue for collection of the Application Money from Applicants/Investors making an application for the Equity Shares;
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 142 of this Draft Letter of Offer;
Call(s)	The notice issued by our Company to the holders of the Right Shares as on the Call Record Date for making a payment of the Call Monies;
Call Money(ies)	The balance amount payable by the holders of the Rights Equity Securities pursuant to the Payment Schedule, being ₹[●] (Rupees [●] Only) per Rights Equity after payment of the Application Money;
Controlling Branches /Controlling Branches of the SCSBs	Such branches of the SCSBs which co-ordinate with 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 Branches SCSB	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&intnl_d=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	This Draft Letter of Offer dated Monday, November 20, 2023, filed with BSE Limited, in accordance with the SEBI (ICDR) Regulations, for their observations and in-principle approval;
Escrow Account(s)	One or more no-lien and non-interest, bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money.
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 [●];
Eligible Equity Shareholders	Holder(s) of the Equity Shares of our Company as on the Record Date;
Issue/ Rights Issue	Rights Issue of up to [●] Fully Paid up Equity Shares of our Company for cash at a price of ₹[●] (Rupees [●] Only) per Right Shares upto ₹[●] (Rupees [●] Only) on a rights basis to the Eligible Shareholders of our Company in the ratio of [●] ([●]) Right Shares for every [●] ([●]) Equity Shares held by the Eligible Shareholders of our Company on the Record Date i.e. [●];
Issue Opening Date	[●];
Issue Closing Date	[●];
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	₹[●]/- (Rupees [●]) per Right Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Right Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Share);
Issue Proceeds	The proceeds of the Issue that are available to our Company;
Issue Size	Amount aggregating up to ₹4850/- Lakhs (Rupees Forty Eight Crores Fifty Lakhs Only) (Assuming full subscription);
Letter of Offer/ LoF	The final letter of offer to be filed with the BSE Limited after incorporating the observations received from the BSE Limited on the Draft 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 47 of this Draft 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 Draft 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 stock broker 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 [●];
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 [●];
Refund through electronic transfer of Funds	Refunds through NECS, Direct Credit, RTGS, NEFT, or ASBA process, as applicable;

Term	Description
Registrar to the Issue	Purva Sharegistry (India) Private Limited;
Registrar Agreement	Agreement dated [●]; , 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. [●]. Such period shall close on [●] in case of On Market Renunciation. 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. [●];
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 ₹2,00,000.00/- (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 [●] Equity Shares for every [●] Equity Shares held by an Eligible Shareholder; The Rights Entitlements with a separate ISIN '[●]' 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 circular, bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, bearing reference number SEBI/HO/CFD/CIR/CFD/DIL/67/2020 dated April 21, 2020 and the SEBI circular bearing reference number SEBI/HO/CFD/SSEP/CIR/P/2022/66 dated May 19, 2022 and any other circular(s) issued by SEBI in this regard.
Self-Certified Syndicate Banks/ SCSB(s)	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 http://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.
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/ Fraudulent Borrower	A Company or person, as the case may be, categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(III) 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.

CONVENTIONAL AND GENERAL TERMS/ABBREVIATIONS

Term	Description
ADR	American Depository Receipt;
Adjusted loans and advances	Adjustment in the nature of addition to the loans and advances made in relation to certain loans which are treated as investments under Ind AS, but considered as loans by our Company
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;
BSE	BSE Limited;
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;
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;

Term	Description
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;
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;
UPI	Unified Payments Interface
"U.S.\$ ", "USD" or "U.S. dollar"	United States Dollar, the legal currency of the United States of America

Term	Description
U.S. Investment Company Act	Investment Company Act of 1940, as amended
U.S. Person	U.S. persons as defined in Regulation S under the U.S. Securities Act or acting for the account or benefit of U.S. persons (not relying on Rule 902(k)(1)(viii)(B) or Rule 902(k)(2)(i) of Regulation S)
"USA", "U.S. " or "United States"	United States of America
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;
WHO	World Health Organization

NOTICE TO INVESTORS

The distribution of Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer, Application Form and Rights Entitlement Letter and the issue of Rights Entitlement and Rights Equity 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 them 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 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 also access this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Stock Exchanges. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

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 has been filed with BSE Limited for observations. Accordingly, 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 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 Draft 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 Issue Materials 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 Right Entitlements Or Right 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 Rights Entitlement Or The Right Shares. In Addition, Our Company Is Not Making Any Representation To Any Offeree Or Purchaser Of The Rights Entitlement Or The Right Shares Regarding The Legality Of An Investment In The Rights Entitlement Or The 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: i) 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, and ii) 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: i) 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; ii) Appears to our Company or its agents to have been executed in or dispatched from the United States; iii) Where a registered Indian address is not provided; iv) or 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 (the "US SEC"), any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Equity 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 is 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/ 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.

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

ENFORCEMENT OF CIVIL LIABILITIES

The Company is a Public Limited (Listed) Company under the laws of India and all the Directors and all Executive Officers are residents of India. It may not be possible or may be difficult for investors to affect service of process upon the Company or these other persons outside India or to enforce against them in courts in India, judgments obtained in courts outside India. India is not a party to any international treaty in relation to the automatic recognition or enforcement of foreign judgments.

However, recognition and enforcement of foreign judgments is provided for under Sections 13, 14 and 44A of the Code of Civil Procedure, 1908, as amended (the “Civil Procedure Code”). Section 44A of the Civil Procedure Code provides that where a certified copy of a decree of any superior court (within the meaning of that section) in any country or territory outside India which the Government of India has by notification declared to be a reciprocating territory, is filed before a district court in India, such decree may be executed in India as if the decree has been rendered by a district court in India. Section 44A of the Civil Procedure Code is applicable only to monetary decrees or judgments not being in the nature of amounts payable in respect of taxes or other charges of a similar nature or in respect of fines or other penalties. Section 44A of the Civil Procedure Code does not apply to arbitration awards even if such awards are enforceable as a decree or judgment. Among others, the United Kingdom, Singapore, Hong Kong and the United Arab Emirates have been declared by the Government of India to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code.

The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. Under Section 14 of the Civil Procedure Code, an Indian court shall, on production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction unless the contrary appears on the record; but such presumption may be displaced by proving want of jurisdiction.

A judgment of a court in any non-reciprocating territory, such as the United States, may be enforced in India only by a suit upon the judgment subject to Section 13 of the Civil Procedure Code, and not by proceedings in execution. Section 13 of the Civil Procedure Code, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment shall be conclusive as to any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title except where:

- The judgment has not been pronounced by a court of competent jurisdiction;
- The judgment has not been given on the merits of the case;
- The judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;
- The proceedings in which the judgment was obtained are opposed to natural justice;
- The judgment has been obtained by fraud; and/or
- The judgment sustains a claim founded on a breach of any law in force in India.

A suit to enforce a foreign judgment must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. In addition, it is unlikely that an Indian court would enforce foreign judgments if it considered the amount of damages awarded as excessive or inconsistent with public policy or if the judgments are in breach of or contrary to Indian law. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the Reserve Bank of India to repatriate any amount recovered pursuant to execution of such judgment. Any judgment in a foreign currency would be converted into Rupees on the date of such judgment and not on the date of payment and any such amount may be subject to income tax in accordance with applicable laws. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

CERTAIN CONVENTIONS

In this Draft 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.

All references to "India" contained in this Draft Letter of Offer are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time ("IST"). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year. A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

FINANCIAL DATA

Unless stated otherwise, the financial information and financial ratio in this Draft 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 69 of this Draft Letter of Offer. The financial year of our Company are to the twelve (12) month period, commences on April 01 and ends on March 31.

The GoI has adopted the Ind AS, which are converged with the IFRS and notified under Section 133 of the Companies Act, 2013 read with the Ind AS Rules. The Restated Financial Statements of our Company for the Financial Years ended March 2021 and March 2022 and Year ended March 31, 2023 have been prepared in accordance with Ind AS read with the Ind AS Rules and other the relevant provisions of the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI.

The Restated Financial Statements of our Company for the Financial Years ended March 2023, 2022 and 2021 prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act read with the Ind AS Rules and other the relevant provisions of the Companies Act and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (revised), 2019, issued by the ICAI. Our Company publishes its financial statements in Rupees.

In this Draft 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. Our Company has presented all numerical information in the Restated Financial Statements in whole numbers and in this Draft Letter of Offer in "lakh" units or in whole numbers have been too small to represent in lakh. One lakh represents 1,00,000 and one million represents 1,000,000.

There are significant differences between Ind AS, US GAAP and IFRS. We have not provided a reconciliation of the financial information to IFRS or US GAAP. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer, and you are urged to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Letter of Offer should accordingly be limited. For further information, see "**Financial Information**" beginning on page 72 of this Draft Letter of Offer

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounded off adjustments. All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures that may have been sourced from third-party industry sources are rounded off to other

than two decimal points in their respective sources, such figures appear in this Draft Letter of Offer rounded-off to such number of decimal points as provided in such respective sources. In this Draft Letter of Offer, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

CURRENCY OF PRESENTATION

All references in this Draft 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;

Exchange Rates

This Draft Letter of Offer contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

		Exchange rate as on				(in ₹)
Sr. No.	Name of the Currency	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	
1.	United States Dollar	82.21	75.80	73.53	75.38	

(Source: www.rbi.org.in and www.fbil.org.in)

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Letter of Offer has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured.

Although we believe the industry and market data used in this Draft Letter of Offer is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” beginning on page 22 of this Draft Letter of Offer. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of Our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

FORWARD LOOKING STATEMENTS

We have included statements in this Draft 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:

- Impact of the COVID-19 pandemic on our business, financial conditions and results of operations;
- As an NBFC, we are subject to periodic inspections by the RBI. Non-compliance with observations made by RBI during these inspections could expose us to penalties and restrictions
- Any disruption in our sources of funding or increase in costs of funding;
- Risk of non-payment or default by borrowers;
- We are affected by volatility in interest rates, adversely affecting our net interest income;
- General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
- Changes in laws and regulations relating to the sectors and industry in which we operate;
- Increased competition in industries and sector in which we operate;
- Factors affecting the industry in which we operate;
- Our failure to keep pace with rapid changes in technology;
- 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;
- Occurrence of natural disasters or calamities affecting the areas in which we have operations;
- Any adverse outcome in the legal proceedings in which our Company is involved;
- Other factors beyond our control;
- Our ability to manage risks that arise from these factors;
- Changes in Government policies and Regulatory actions that apply to or affect our business;
- Conflicts of interest with affiliated companies, the promoter group and other related parties; and
- The performance of the financial markets in India and globally.
- Any increase in the levels of NPAs in our loan portfolio, for any reason whatsoever, would adversely affect our business and results of operations;

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 Draft 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.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Letter of Offer and are not a guarantee of future performance. These statements are based on the management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither our Company, our Directors, our Promoter, the Syndicate Member(s) nor any of their respective affiliates or advisors 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 the SEBI ICDR Regulations, our Company will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchange.

SECTION II – SUMMARY OF THE DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft 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 Draft 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, 47, 61, and 116 of this Draft Letter of Offer, respectively.

SUMMARY OF OUR BUSINESS

Our Company is a non-deposit taking Non-Banking Finance Company (NBFC) RBI to carry on the NBFC activities under Section 45-IA of the Reserve Bank of India Act, 1934 bearing Registration no. B- 13.01152 dated January 21, 1999 undertaking finance and share trading transactions and indulging in advancing of funds to persons, firms, or body corporate, 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 61 of this Draft Letter of Offer.

OBJECTS OF THE ISSUE

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

		(₹ in lakhs)
Particulars	Amount	
Gross Proceeds from the Issue#	₹4,850.00/-	
Less: Estimated Issue related Expenses	(₹65.00/-)	
Net Proceeds from the Issue	₹4,785.00/-	

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:

		(₹ in lakhs)
Sr. No.	Particulars	Amount
1)	Towards working capital requirements;	₹3,815.00/-
2)	General Corporate Purposes#;	₹970.00/-
Total Net Proceeds@		₹4,785.00/-

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 47 of this Draft Letter of Offer.

PROMOTERS OF OUR COMPANY

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

SUBSCRIPTION TO THE ISSUE BY OUR PROMOTER AND PROMOTER GROUP

The Promoters and members of Promoter Group of our Company, have confirmed to subscribe in part or to full extent

of their Right Entitlements in 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, 2023, along with Consolidated Audited Financial Statements for the financial years ending March 31, 2023, and March 31, 2022.

(₹ in Lakhs except Equity Share data)

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Authorised Share Capital*	₹ 6,130.00	₹ 5,130.00	₹ 5,130.00
Paid up Share Capital	₹4804.62	₹4804.62	₹2564.87
Net Worth	₹17,519.18	₹15,181.89	₹16,178.53
Total Revenue	₹2,842.00	₹2088.09	₹10,094.86
Profit / (loss) after tax	₹2,337.29	₹(-)5476.14	₹6936.59
Total other comprehensive income/(loss) for the year	-	-	-
Total comprehensive income/(loss) for the year	₹2,337.29	₹(-)5476.14	₹6936.59
Basic EPS	₹4.87	₹(-)11.40	₹27.04
Diluted EPS	₹4.87	₹(-)11.40	₹27.04
Net asset value per Equity Share	₹ 36.46	₹31.59	₹63.08
Total borrowings	₹655.16	₹651.231	₹689.70

* Authorised share Capital has been increased from 61.30 Cr. To 101.30 Cr through EGM dated 10/11/2023

For further details, please refer to section titled '**Financial Statements**' beginning on page 69 of this Draft Letter of Offer.

AUDITOR QUALIFICATIONS

For further details on auditor qualifications, please refer to section titled '**Financial Statements**' beginning on page 69 of this Draft Letter of Offer.

OUTSTANDING LITIGATIONS

Nature of cases	Number of cases	Amount involved (in Lacs)
Litigations involving our Company		
Litigation Involving Actions by Statutory/Regulatory Authorities;	Nil	Nil
Litigation involving Tax Liabilities;	10	₹2093.20
Proceedings involving issues of moral turpitude or criminal liability on the part of our Company;	Nil	Nil
Proceedings involving Material Violations of Statutory Regulations by our Company;	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company;	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company;	Nil	Nil
Litigation involving our Directors, Promoters and Promoter Group;	*20	₹4,000.00
Litigation involving our Group Companies;	#5	₹1551.71

*Sebi order dated 27 July 2023 against Directors Mr. Girraj Kishor Agrawal and Mrs Tanu Agrawal for Rs. 7.00 Lakhs each is included in Litigation involving our Directors, Promoters and Promoter Group.

#Sebi order dated 30 July 2021 against Individual Promoters and Associate Company (Tilak Ventures Limited) of Rs. 70.00 Lakhs and Sebi order dated 27 July 2021 against Associate Company of Rs. 14.00 Lakhs is included in Litigation involving our Group Companies in the above table. both Litigation involving our Directors, Promoters and Promoter Group and Litigation involving our Group Companies in the above table.

For further details, please refer to section titled '**Outstanding Litigations, Defaults and Material Developments**' beginning on page 116 of this Draft 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 Draft 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 69 of this Draft Letter of Offer.

RELATED PARTY TRANSACTIONS

Following stated is the brief of the related party transactions undertaken by our Company as per Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023 and Consolidated Audited Financial Statements for the Financial Years ending March 31, 2022 and March 31, 2023:

(In Lakhs)

Sr. No.	Name of the related party	Relation	Nature of transaction	Transaction during the year April 2023 to September 2023	Transaction for the Financial Years ending March 31,	
					2023	2022
1.	Tilak Ventures Limited	Associate Company	Loan Given	76.00	0.00	0.50
			Loan Repaid	76.00	0.00	0.50
			Interest Received	1.50	0.00	0.00
			Share Sale	52.73	0.00	0.00

Sr. No.	Name of the related party	Relation	Nature of transaction	Transaction during the year April 2023 to September 2023	Transaction for the Financial Years ending March 31,	
					2023	2022
			Reimbursement of Expenses	0.00	0.00	0.06
2.	Girraj Kishor Agrawal	Director	Reimbursement of Expenses	0.50	0.75	0.00
3.	Nemcihand Saini	CFO	Remuneration	0.39	1.20	1.68
	Tanu Girraj Agrawal	Director	Remuneration	42.00	84.00	-
4.	Prajna Prakash Naik	Company Secretary and Compliance Officer	Remuneration	3.60	7.40	5.89
			Reimbursement of Expenses	0.22	0.27	0.00
5.	Kushagra Agrawal	Relative of Director	Salary	-	6.00	0.00
6.	Handful Investrade Pvt Ltd	Group Company	Share Sale	87.80	25.33	0.00
7.	Saloni Agrawal	Relative of Director	Loan Given	7.00	0.00	0.00
			Loan Repayment	7.00	0.00	0.00
8.	Babita Amit Mehta	CFO	Remuneration	0.50	0.00	0.00
9.	Hunnar Jewels Limited	Group Company	Loan Given	721.50	0.00	0.00

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 69 of this Draft 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 Draft Letter of Offer.

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 Draft Letter of Offer, including in ‘Business Overview’, ‘Industry Overview’, and ‘Financial Statements’ beginning on pages 61,55, and 69 respectively in this Draft 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 Draft 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 Draft 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 and Associate Company 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.

As on date of this Draft Letter of Offer, the Company has paid-off the levied penalty under protest, however, the Company has filed an appeal in the Hon’ble Supreme Court of India, against the said SAT order and which has been admitted by the Hon’ble Supreme Court.

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. 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.

2. Our Individual Promoters and Associate Company have been penalised by SEBI’s Adjudicating Officer for violation of the provisions of SEBI (PFUTP) Regulations.

a) A penalty of ₹28,00,000.00/- (Rupees Twenty Eight Lakhs Only) has been imposed under Section 15HA, 15b of the SEBI Act and and 23A(b) of the SCRA Act on our Individual Promoters, Girraj Kishor Agrawal and Tanu Girraj

Agarwal and Tilak Ventures Limited (our associate company) of Rs.7,00,000, Rs.7,00,000/- and Rs.14,00,000 respectively and are restrained from accessing the securities market and further prohibited from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, for a period of six months from the date of order. via SEBI's order bearing reference number 'SEBI/HO/IVD/ID13/OW/P/2022/301321/1 dated July, 27 2023', for the violation of the provisions of Regulations 3(a),(b),(c),(d), and 4 of the SEBI (PFUTP) Regulations. Section 12A(a), (b), (c) of SEBI Act, 1992 Regulations 73 of SEBI (ICDR) Regulations, 2009 r/w 301(1) of SEBI (ICDR) Regulations, 2018, clause 43 of the erstwhile listing agreement read with Section 21 of SCRA and Regulation 32 and Regulation 103 of SEBI (LODR) Regulations, 2015.

As on date of this Draft Letter of Offer, the Company has paid-off the levied penalty under protest, however, the Company has filed an appeal in the Securities Appellate Tribunal (SAT), against the said SEBI order and which has been admitted by the SAT (Appeal No. 687 of 2023 and by its Order dated 28.08.2023 has granted an interim stay on the SEBI order.

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.

3. *There are certain tax litigations outstanding against our Company.*

As on the date of this Draft 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 Draft Letter of Offer, an amount of ₹20,93,20,209.00/- (Rupees Twenty Crores Eighty Nine Three Lakhs Eighty Twenty Thousand Two Hundred and Nine Only) is the ascertainable disallowed amount for tax liability purpose. 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.

4. *The authorized share capital of the Company was erroneously updated as 5,33,00,000 (Fifty Crores Thirty-Three Lakhs) Equity Shares amounting to ₹53,30,00,000.00/- (Rupees Fifty-Three Crores Thirty Lakhs Only) whereas the actual authorized 5,13,00,000 (Fifty Crores Thirteen Lakhs) Equity Shares amounting to ₹51,30,00,000.00/- (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 ₹53,30,00,000.00/- (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 ₹51,30,00,000.00/- (Rupees Fifty-One Crores Thirty Lakhs Only), as specified in the Audited Financial Statements of the Company. As on date of this Draft 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.

5. *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 outbreak of the COVID-19 Pandemic resulted in an unpredictable chain of events across the globe. With reduced production and consumption, every economy witnessed a fiscal crunch like never before. The pandemic shook the Indian economy, which was already under the effects of demonetisation and GST enforcement. As Covid-19 Pandemic swiftly made its way into the nation, the Indian Government imposed a strict nationwide lockdown. Trade and travel restrictions along with shutdown of business activities led to a GDP contraction of 23.9%.

Given that the COVID -19 Pandemic and its impact on the Company, the actual impact on our Company's loans and advances will also depend on future developments, including, among other things, any new information concerning the severity of the COVID -19 Pandemic and any action to contain its spread or mitigate its impact. While, our Company continue to monitor the developments of the COVID-19 Pandemic situation closely, assess and respond proactively to minimize any adverse impacts on the financial position, cash flows and operating results of our Company, it is possible that the Company's business, financial condition and results of operations could be adversely affected due to the COVID-19 Pandemic. If the COVID-19 Pandemic situation persists or worsens, it may adversely impact our Company's business and the financial condition.

As these are unforeseen circumstances, it may give rise to risks that we may not have anticipated. If the outbreak of any of these pandemic or other severe pandemic, continues for an extended period, occur again and/or increases in severity, it could have an adverse effect on economic activity worldwide, including India, and could materially.

6. *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.

7. *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.

8. *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.

9. *We are subjected to supervision and regulation by the RBI as non – deposit accepting NBFC, and changes in RBI's regulations governing us could adversely affect our business.*

The RBI's regulation pertaining to NBFC may change or become more rigorous in the future which may require our Company to restructure its activities, incur additional costs or could otherwise adversely affect its business, financial performance and cash flows. There can be no assurance that the RBI and/or the Government will not implement further regulations or policies, including legal interpretations of existing regulations, relating to or affecting interest rates, taxation, inflation or exchange controls, or otherwise take action, that may have an adverse impact on NBFCs.

Compliance with many of the regulations applicable to our operations in India, including any restrictions on investments and other activities currently being carried out by us, involves a number of risks, particularly in markets where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may be subject to penalties and our business could be adversely affected. We are also subject to changes in laws, regulations and accounting principles and practices. There can be no assurance that the laws governing the financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not adversely affect our business and future financial performance.

10. *High levels of customer defaults or delays in repayment of loans could adversely affect our business, financial condition and results of operations.*

Our business involves lending money and accordingly we are subject to customer default risks including default or delay in repayment of principal and/or interest on our loans. Customers may default on their obligations to us as a result of various factors including bankruptcy, lack of liquidity, lack of business and operational failure. If borrowers fail to repay loans in a timely manner or at all, our financial condition and results of operations will be adversely impacted.

Although we believe that our risk management controls are sufficient, we cannot be certain that they will continue to be sufficient or that additional risk management policies for individual borrowers will not be required. Failure to continuously monitor the loan contracts, could adversely affect our credit portfolio which could have a material and adverse effect on our results of operations and financial condition.

11. *Investment in Shares and Securities carries Risk*

Our Company also invests in Shares and Securities in Share Market besides giving Loans. The security market is Volatile and is affected by price fluctuations on daily basis. Although your company takes precaution in investing in shares and securities, we cannot be certain that the fluctuations in price in future will not effect the financial stability of the company.

12. *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, 2023, 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 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.*

13. *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, 2023.*

As per the audited financial statements for the Financial Year 2022-2023, the Practising Company Secretary of the Company has issued qualifications remark on the following matters:

- a. *The Company has received a notice from BSE that the Company has made Non compliances with the constitution of nomination and remuneration committee*

14. *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 of 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.

15. *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 69 of this DLoF. 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.

16. *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 plans.

17. *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.

18. *The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution.*

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue.

19. ***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.

20. ***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.

21. ***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 47 of this Draft Letter of Offer.

22. ***As the Equity Shares of our Company are listed on BSE, our Company is subject to certain obligations and reporting requirements under SEBI Listing Regulations. Any non-compliances/delay in complying with such obligations and reporting requirements may render us/our promoter liable to prosecution and/or penalties.***

Our Company is subject to the obligations and reporting requirements under SEBI Listing Regulations. In the past, our Company had not complied with certain provisions of the SEBI Listing Regulations. Though our Company endeavours to comply with all such obligations/reporting requirements, there have been certain instances of non-compliance and delays in complying with such obligations/reporting requirements. Any such delays or non-compliance would render our Company to prosecution and/or penalties. Although our Company have not received any further communication from the Stock Exchange or any authority in this regard, there could be a possibility that penalties may be levied against our Company for certain instances of non-compliance and delays in complying with such obligations/reporting requirements.

23. ***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 55 of this Draft 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 Draft Letter of Offer. Further, the industry data mentioned in this Draft 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 Draft Letter of Offer in this context.

ISSUE SPECIFIC FACTORS

24. ***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 located 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.

25. ***SEBI has recently, by way of circulars dated January 22, 2020, May 6, 2020, January 19, 2021 and April 22, 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, January 19, 2021 and April 22, 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 142 of this Draft 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, [●]) 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.

26. ***Investment in Right Shares is exposed to certain risks. The holders of the Right Shares will not be able to trade in these securities till they are credited to the holders' account as fully paid-up. Further, until the subsistence of Right Shares, we may not be able to undertake certain forms of equity capital raising.***

The Issue Price is ₹[●] (Rupees [●] Only) per Rights Equity Share. On Application, Investors will have to pay ₹[●] (Rupees [●] Only) ([●]% ([●] percent) of the Issue Price) per Rights Equity Share.

The Right Shares offered under this Issue will be listed under a separate ISIN. An active market for trading may not develop for the Right Shares. This may affect the liquidity of the Right Shares and restrict your ability to sell them. In case our Company declares any dividend, Rights Equity Shareholders are only entitled to dividend in proportion to the amount paid-up, and the voting rights (exercisable on a poll) by Investors shall also be proportional to such investor's share of the paid-up equity capital of our Company.

Further, until the subsistence of Right Shares, we cannot undertake further rights issues, further public offers or bonus issues. In terms of Regulation 62 and Regulation 104 of the SEBI (ICDR) Regulations, an issuer making a rights issue or further public offer is required to ensure that all its existing partly paid-up equity shares have either been fully paid-up or have been forfeited. Additionally, a bonus issue will not be permitted under law till the subsistence of partly paid-up equity shares in terms of Regulation 293 of the SEBI (ICDR) Regulations.

27. ***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. For details, see "Terms of the Issue" on page 144

28. ***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 Draft 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 142 of this Draft 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 [●]) 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.

29. *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;

30. *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;

31. *The entitlement of Right Shares to be allotted to investors applying for Allotment in physical form, will be kept in abeyance.*

In accordance with the provisions of SEBI (ICDR) Regulations, the option to receive the Right Shares in physical form will not be available after a period of 6 (Six) months from the effective date of the SEBI (ICDR) Regulations, being, May 10, 2019. Since, the Right Shares offered pursuant to this Issue will be Allotted only after May 10, 2019, the entitlement of Right Shares to be Allotted to the Applicants who have applied for Allotment of the Right Shares in physical form will be kept in abeyance in electronic mode by our Company until the Applicants provide details of their demat account particulars to the Registrar. Pursuant to a press release dated December 03, 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);

32. *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/IHO/ICFD/DIL2/CIR/IP/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 two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their de-mat accounts at least one day before the Issue Closing Date. 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 1, 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)".

33. *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;

34. ***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.

35. ***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.

36. ***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 BSE. 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 142 of this Draft Letter of Offer.

37. ***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.

37. ***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.

38. ***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

38. ***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;

39. ***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.

40. ***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, tsunamis, 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.

41. *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 located 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.

42. *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 a number of 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.

43. *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. In particular, 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.

44. *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 particular terms or at all.

45. *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.

The Government of India has issued a notification dated September 29, 2016 notifying Income Computation and Disclosure Standards ("ICDS"), thereby creating a new framework for the computation of taxable income. The ICDS became applicable from the assessment year for Fiscal 2018 and subsequent years. The adoption of ICDS is expected to significantly alter the way companies compute their taxable income, as ICDS deviates from several concepts that are followed under general accounting standards, including Indian GAAP and Ind AS. In addition, ICDS shall be applicable for the computation of income for tax purposes but shall not be applicable for the computation of income for minimum alternate tax. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

- the General Anti Avoidance Rules ("GAAR") have been made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.
- a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure, which came into effect from July 1, 2017. We cannot provide any assurance as to any aspect of the tax regime following implementation of the GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

In addition, unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. 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 affect the viability of our current business or restrict our ability to grow our business in the future.

Any increase in taxes and levies, or the imposition of new taxes and levies in the future, could increase the cost of production and operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

46. *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.

SECTION IV – INTRODUCTION

THE ISSUE

This Issue has been authorised by way of a resolution passed by our Board of Directors on Saturday, November 18, 2023, in pursuance of Section 62 of the Companies Act, 2013.

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 142 of this Draft Letter of Offer.

Equity Shares outstanding prior to the Issue	4,80,46,232 (Four Crores Eighty Lakhs Forty-Six Thousand Two Hundred and Thirty Two) Equity Shares;
Right Shares proposed to be Issued in this Issue	[●] Right Shares;*
Rights Entitlement	[●] Equity Shares for every [●] Equity Shares held on the Record Date being [●];
Face Value per Equity Share	₹10.00/- (Rupees Ten Only) each.
Issue Price per Equity Share	₹[●]/- (Rupees [●] Only) including a premium of ₹[●]/- (Rupees [●] Only) per Rights Equity Share.
Issue Size	₹48,50,00,000.00/- (Rupees Forty-Eight Crores Fifty Lakhs Only) (Assuming full subscription)
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] 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 [●] ([●]) Equity Shares or is not in multiples of [●] ([●]), 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 passu 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 142 of this Draft Letter of Offer;
Use of Issue Proceeds	Please refer to the section titled ‘Objects of the Issue’ beginning on page 47 of this Draft Letter of Offer;
Security Code/ Scrip Details	ISIN: INE521L01030; BSE Scrip Code: 509053; BSE Scrip ID: BANASFN; ISIN for Rights Entitlements: [●]

**For Right Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of 1 (One) additional Rights Equity Share each, if such Eligible Shareholders have applied for additional Right Shares over and above their Rights Entitlements;*

ISSUE SCHEDULE

Issue Opening Date	[●]
Last date for On Market Renunciation of Rights Shares	[●]
Issue Closing Date	[●]

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/ 02266921199
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	BANASFIN
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
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	Executive 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
Ashish Kachhara	Non-Executive – Independent Director	09671227	Old Post Office Gali, Sadar Bazar, Chittorgarh, Rajasthan - 312001

For further details of our Board of Directors, please refer to the section titled '*Our Management*' beginning on page 66 of this Draft 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: +91-9152096140; Email-ID: banasfin@gmail.com	Babita Amit Mehta Address: E-109, Crystal Plaza, New Link Road, Andheri West, Mumbai – 400053, Maharashtra. India Contact Number: +91-9152096140; Email-ID: banasfin@gmail.com
Statutory Auditors	Internal Auditor
M/s. A K KOCCHAR & ASSOCIATES Address: 6th Floor, 601, Vakratunda Corporate Park, Vishweshwar Road, Goregaon East, Mumbai City -400063 Maharashtra, India; Firm Registration Number: 120410W; Contact Person: Abhilash Darda Membership Number: 423896 E-mail ID: admin@akkocchar.com ; Contact Number: +91-02220881017;	Mr. Deepak Mehta Address: 14, Ajmera Garden, Kings Road, Nirman Nagar, Jaipur, Raj-302019 Contact Number: 9152096140; E-mail ID: Deepakmehta3468@gmail.com
Banker to our Company	Registrar to the Issue/ Registrar and Share Transfer Agent
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: [●] Contact Number: 022-4233 9506 Website: www.rblbank.com	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: 022-9136993917/ 18; 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;
Banker to the Issue	
[●] Address: [●] Contact Person: [●] E-mail ID: [●] Contact Number: [●] Website: [●] SEBI Registration Number: [●]	

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 (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 (in case of ASBA process), 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 (in case of ASBA process), For details on the ASBA process, please refer to the section titled '*Terms of the Issue*' beginning on page 142 of this Draft Letter of Offer.

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

Name of Auditor	Address and E-mail	Period of Appointment	Reason
M/s. Pravin Chandak & Associates, Chartered Accountants	403, 4th Floor, & 702/703, 7th Floor, New Swapnalok CHS Ltd., Natakwala Lane, Boriwali (West), Mumbai -400 092	F.Y 2017-18 to F.Y 2021-22	Completion of Term of Appointment
M/s. Dassani & Associates, Chartered Accountants	1-B, Sagar Matha Apartments, 18/7, M.G. Road, Indore – 452 001	F.Y 2022-23	Due to Pre Occupation
M/s A K Kocchar & Associates, Chartered Accountants	6th Floor, 601, Vakratunda Corporate Park, Vishweshwar Road, Goregaon East, Mumbai City -400063	F.Y. 2023-24 till F.Y. 2028-29.	NA

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. A K Kocchar & Associates, Chartered Accountants, to include their name in this Draft 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 November 18, 2023, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft 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	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]
Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

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 2 (Two) Working Days prior to the Issue Closing Date, i.e., [●] 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 1 (One) day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company 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. For details on submitting Application Forms, please refer to the section titled '**Terms of the Issue**' beginning on page 142 of this Draft 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> 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 142 of this Draft 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 into 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 Draft 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 ₹10,00,00,000.00/- (Rupees Ten Crores Only) to ₹50,00,00,000.00/- (Rupees Fifty Crores Only). Since the size of this Issue falls below this threshold, the Draft 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 (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:

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 Draft Letter of Offer, prior to and after the proposed Issue, is set forth below:

Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
Authorized Equity Share capital		
10,33,00,000 (Ten Crores Thirty-Three Lacs) Equity Shares*	₹103,30,00,000.00/-	-
Issued, subscribed and paid-up Equity Share capital before this Issue		
4,80,46,232 (Four Crores Eighty Lakhs Forty-Six Thousand Two Hundred and Thirty Two) Equity Shares	₹48,04,62,320.00/-	-
Present Issue in terms of this Draft Letter of Offer^{(a) (b)}		
[●] ([●]) Issue of Equity Shares, each at a premium of ₹[●]/- (Rupees [●] Only) per Equity Share, at an Issue Price of ₹[●]/- (Rupees [●] Only) per Equity Share	₹[●]/-	₹[●]/-
Issued Equity Share capital after the Issue		
[●] ([●]) Equity Shares	₹[●]/-	
Subscribed and paid-up Equity Share capital		
[●] ([●]) fully paid-up Equity Shares	₹[●]/-	
Securities premium account		
Before the Issue	₹74,81,07,320.00/-	
After the Issue ^(c)	₹[●]/-	

* The authorised Capital has been increased to existing Rs. 63,30,00,000 (Rupees Sixty-Three Crores Thirty Lacs Only) divided into 6,33,00,000 (Six Crores Thirty Three Lacs) Equity Shares of Rs.10/- each to Rs. 103,30,00,000 (Rupees One Hundred Three Crores and Thirty Lacs Only) divided into 10,33,00,000 (Ten Crores Thirty-Three Lacs) Equity Shares of Face Value of Re 10/- (Rupees Ten Only) each by Ordinary Resolution in the meeting dated 10th November 2023.

- (a) The present Issue has been authorized by our Board of Directors pursuant to the resolution passed in their meeting conducted on Saturday, November 18, 2023, pursuant to Section 62(1)(a) and other applicable provisions of the Companies Act;
- (b) Assuming full subscription to the Right Entitlements and for Allotment of Right Shares;
- (c) Subject to finalization of Basis of Allotment, Allotment, and deduction of Issue expenses;

NOTES TO THE CAPITAL STRUCTURE

- 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 Draft Letter of Offer;
- 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;
- As on the date of this Draft Letter of Offer, our Company has not issued any special voting Right Shares and there are no outstanding Equity Shares having special voting rights;
- 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 ₹[●] (Rupees [●] Only);

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

As on the date of this Draft 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 Draft 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 Draft 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 Draft Letter of Offer**

None of the members of the Promoter and Promoter Group of the Company have acquired any Equity Shares in the last one year prior to the filing of this Draft Letter of Offer,;

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

The Promoters and members of Promoter Group of our Company, through their letters dated Saturday, November 18, 2023, have confirmed to subscribe in part or to full extent of their Right Entitlements in 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 September 30, 2023, 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	84,50,788	84,50,788	17.59	84,50,788	17.59	84,50,788
(B) Public	43,136	3,95,95,444	3,95,95,444	82.41	3,95,95,444	82.41	3,86,99,766
(C1) Shares underlying DRs	-	-	-	-	-	-	-
(C2) Shares held by Employee Trust	-	-	-	-	-	-	-
(C) Non-Promoter-Non Public	-	-	-	-	-	-	-
Grand Total	43,140	4,80,46,232	4,80,46,232	100.00	4,80,46,232	100.00	4,71,50,554

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	19,04,236	19,04,236	3.96	
Girraj Kishor Agrawal	1	10,50,966	10,50,966	2.19	10,50,966
Tanu Girraj Agarwal	1	8,53,270	8,53,270	1.78	8,53,270
Any Other (specify)	2	65,46,552	65,46,552	13.63	65,46,552
Handful Investrade Private Limited	1	44,13,185	44,13,185	9.19	44,13,185
Agrawal Bullion Limited	1	21,33,367	21,33,367	4.44	21,33,367
Sub Total A1	4	84,50,788	84,50,788	17.59	84,50,788
A2) Foreign	-	-	-	-	-
A=A1+A2	4	84,50,788	84,50,788	17.59	84,50,788

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	0.05	26,000	0.05	26,000
Sub Total B1	1	26,000	26,000	0.05	26,000	0.05	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	42449	1,56,12,878	1,56,12,878	32.50	1,56,12,878	32.50	1,53,34,116
Individual share capital in excess of ₹2 Lacs	108	95,27,962	95,27,962	19.83	95,27,962	19.83	92,67,769
Any Other (specify)	308	7,52,304	7,52,304	1.56	7,52,304	1.56	7,52,304
LLP	3	4,810	4,810	0.01	4,810	0.01	4,810
Bodies Corporate	164	1,24,57,824	1,24,57,824	25.93	1,24,57,824	25.93	1,24,57,824
Jr Seamless Private Limited		96,30,485	96,30,485	20.04	96,30,485	20.04	96,30,485
Prismx Global Ventures Limited		10,82,893	10,82,893	2.25	10,82,893	2.25	10,82,893
Clearing Members	10	30,363	30,363	0.06	30,363	0.06	30,363
Non-Resident Indian (NRI)	104	1,21,488	1,21,488	2.53	1,21,488	2.53	1,21,488
Trusts	1	571	571	0.00	571	0.00	571
HUF	294	7,16,560	7,16,560	1.49	7,16,560	1.49	7,16,560
Sub Total B3	43,134	3,95,69,394	3,95,69,394	82.36	3,95,69,394	82.36	3,86,73,716
B=B1+B2+B3	43,136	3,95,95,444	3,95,95,444	82.41	3,95,95,444	82.41	3,86,99,766

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				

SECTION V – PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE

Our Company proposes to utilize the Net Proceeds to:

1. Towards working capital requirements including;
 - Short Term and Long Term Unsecured/Secured Loans & Advances to Corporate and Non Corporate Customers
 - Investment and dealing in Shares & Securities, Mutual Funds, Debt Funds, Liquid Funds, G- Sec, Fixed Deposits, Commodity Markets and Currency Markets.
2. General corporate purpose
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 ₹ (₹ in Lakhs)
Gross Proceeds from the Issue#	₹4,850.00
Less: Estimated Issue related Expenses	(₹65.00)
Net Proceeds from the Issue	₹4,785.00

assuming full subscription and Allotment;

*The Issue size will not exceed ₹48,50,00,000.00/- (Rupees Forty-Eight Crore Fifty 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:

(₹ in lakhs)		
Sr. No.	Particulars	Amount
3)	Towards working capital requirements;	₹3,815.00/-
4)	General Corporate Purposes#;	₹970.00/-
Total Net Proceeds@		₹4,785.00/-

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

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.

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 standalone basis), is as under:

(In Lakhs)

Sr. No	Particulars	Audited Financial 2022-2023	Estimated for Financial Year 2023-24	Estimated for Financial Year 2024-2025	Estimated for Financial Year 2025-2026
A.	Current Assets				
	a. Trade receivables	42.35	54.00	63.00	70.00
	b. Cash and cash equivalents	549.90	355.00	524.00	450.00
	c. Bank Balance Other than cash and Cash Equivalent	10.00	11.00	14.00	15.00
	d. Other Financial Assets*	1,433.28	2,450.00	4,875.00	5,700.00
	e. Short-term loans and advances	2,447.53	3,070.00	4,400.00	5,200.00
	Sub Total (A)	4,483.06	5,940.00	9,876.00	11,435.00
B.	Current liabilities				
	a. Trade Payables	2.86	3.00	4.00	4.50
	b. Other Financial liabilities	682.70	680.00	780.00	850.00
	c. Short term provisions	260.30	350.00	370.00	407.00
	Sub Total (B)	945.86	1033.00	1,154.00	1,261.50
C.	Net Working capital (A-B)	3,537.20	4907.00	8,722.00	10,173.50
	Funding Pattern				
	Short Term Borrowings	682.70	680.00	780.00	850.00
	Company's Funds	2,854.50	4,227.00	4,127.00	9,323.50
	Proceeds from proposed Rights Issue	-	-	3,815.00	-
	Total	3,537.20	4,907.00	8,722.00	10,173.50

* Other Financial Assets includes Inventories of Shares & Securities, Mutual Funds, Debt Funds and Liquid Funds.

2. 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.

3. Expenses for the Issue

The Issue related expenses consist of 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 ₹65,00,000.00/- (Rupees Sixty Five Lakhs Only) towards these expenses, a break-up of the same is as follows:

Activity	Estimated Expense	% of Estimated Issue Size Expenses	% of Estimated Issue Size
Fees of Registrar to the Issue	[●]	[●]	[●]
Fee to the legal advisor, other professional service providers and statutory fee	[●]	[●]	[●]
Fees payable to regulators, including depositories, Stock Exchanges and SEBI	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing and Distribution	[●]	[●]	[●]
Statutory, Stamp Duty and other Miscellaneous Expenses	[●]	[●]	[●]
Total estimated Issue expenses*	[●]	[●]	[●]

** 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 [●].00% ([●] Percent) of the Net Proceeds on Application.

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.

MONITORING OF UTILIZATION OF FUNDS

Since the proceeds from this Issue are less than ₹10,000 Lakhs, in terms of Regulation 41(1) of the SEBI (ICDR) Regulations, our Company is not required to appoint a monitoring agency for this Issue. However, as per SEBI (LODR) Regulation, the Board of Directors of the Company would be monitoring the utilization of the proceeds of the Issue. The Company will disclose the utilization of the Issue Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. The Company will indicate investments, if any, of unutilized Issue Proceeds in the Financial Statements of the Company for the relevant Financial Years subsequent to receipt of listing and trading approvals from the Stock Exchanges.

We will also on an annual basis, prepare a statement of the funds which have been utilized for purposes other than those stated in this Draft Letter of Offer, if any, and place it before the Audit Committee and the Board. Such disclosure will be made only until all the Issue Proceeds have been utilized in full. Pursuant to Regulation 32 of the SEBI (LODR) Regulation, the Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Issue Proceeds. In accordance with Regulation 32 of the SEBI (LODR) Regulation, the Company shall furnish to the Stock Exchange, 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.

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. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and applicable rules. The 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 Saturday, November 18, 2023, 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 18th November 2023.

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 draft 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 Company in connection with the Issue and in accordance with applicable law.

This certificate may also be relied upon by the Company and their affiliates 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 A K Kocchar & Associates
Chartered Accountants
(FRN No 0120410W)
CA Hitesh Kumar
Sd/-
Partner
(Membership No: 134763
Place of Signature: Mumbai.
Date: 18/11/2023
UDIN: 23134763BGWWVG1106

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: 18/11/2023

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: 18/11/2023

SECTION VI – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information contained in 'Industry Overview' in this section is derived from publicly available sources. Neither we, nor any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends.

Shareholders should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, shareholders should read this Letter of Offer, including the information in the sections "Risk Factors" and "Financial Information" beginning on pages 22 and 72, respectively of this Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, please see the section 'Risk Factors' beginning on page 22 of this Letter of Offer.

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>)

GOLBAL ECONOMY

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks—most notably, the COVID-19 pandemic and Russia’s invasion of Ukraine—manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multidecade highs last year in many economies, leading central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

Although telegraphed by central banks, the rapid rise in interest rates and anticipated slowing of economic activity to put inflation on a downward path have, together with supervisory and regulatory gaps and the materialization of bank-specific risks, contributed to stresses in parts of the financial system, raising financial stability concerns. Banks’ generally strong liquidity and capital positions suggested that they would be able to absorb the effects of monetary policy tightening and adapt smoothly. However, some financial institutions with business models that relied heavily on a continuation of the extremely low nominal interest rates of the past years have come under acute stress, as they have proved either unprepared or unable to adjust to the fast pace of rate rises.

The unexpected failures of two specialized regional banks in the United States in mid-March 2023 and the collapse of confidence in Credit Suisse—a globally significant bank—have roiled financial markets, with bank depositors and investors re-evaluating the safety of their holdings and shifting away from institutions and investments perceived as vulnerable. The loss of confidence in Credit Suisse resulted in a brokered takeover. Broad equity indices across major markets have fallen below their levels prior to the turmoil, but bank equities have come under extreme pressure (Figure 1.1). Despite strong policy actions to support the banking sector and reassure markets, some depositors and investors have become highly sensitive to any news, as they struggle to discern the breadth of vulnerabilities across banks and nonbank financial institutions and their implications for the likely near-term path of the economy. Financial conditions have tightened, which is likely to entail lower lending and activity if they persist.

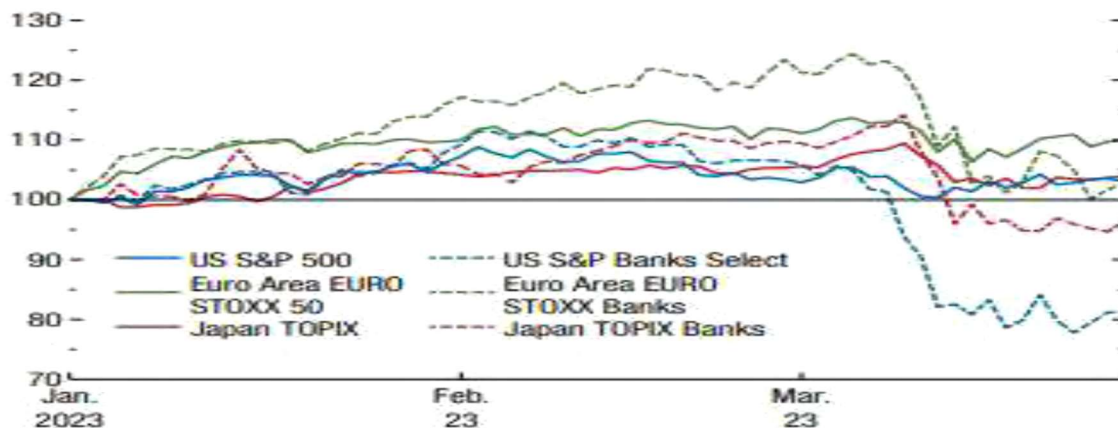
Prior to recent financial sector ructions, activity in the world economy had shown nascent signs of stabilizing in early 2023 after the adverse shocks of last year (Figure 1.2). Russia’s invasion of Ukraine and the ongoing war caused severe commodity and energy price shocks and trade disruptions, provoking the beginning of a significant reorientation and adjustment across many economies. More contagious COVID-19 strains emerged and spread widely. Outbreaks particularly affected activity in economies in which populations had lower levels of immunity and in which strict lockdowns were implemented, such as in China. Although these developments imperilled the recovery, activity in many economies turned out better than expected in the second half of 2022, typically reflecting stronger-than-anticipated domestic conditions.

Labor markets in advanced economies—most notably, the United States—have stayed very strong, with unemployment rates historically low. Even so, confidence remains depressed across all regions compared with where it was at the beginning of 2022, before Russia invaded Ukraine and the resurgence of COVID-19 in the second quarter.

With the recent increase in financial market volatility and multiple indicators pointing in different directions, the fog around the world economic outlook has thickened. Uncertainty is high, and the balance of risks has shifted firmly to the downside so long as the financial sector remains unsettled. The major forces that affected the world in 2022—central banks’ tight monetary stances to allay inflation, limited fiscal buffers to absorb shocks amid historically high

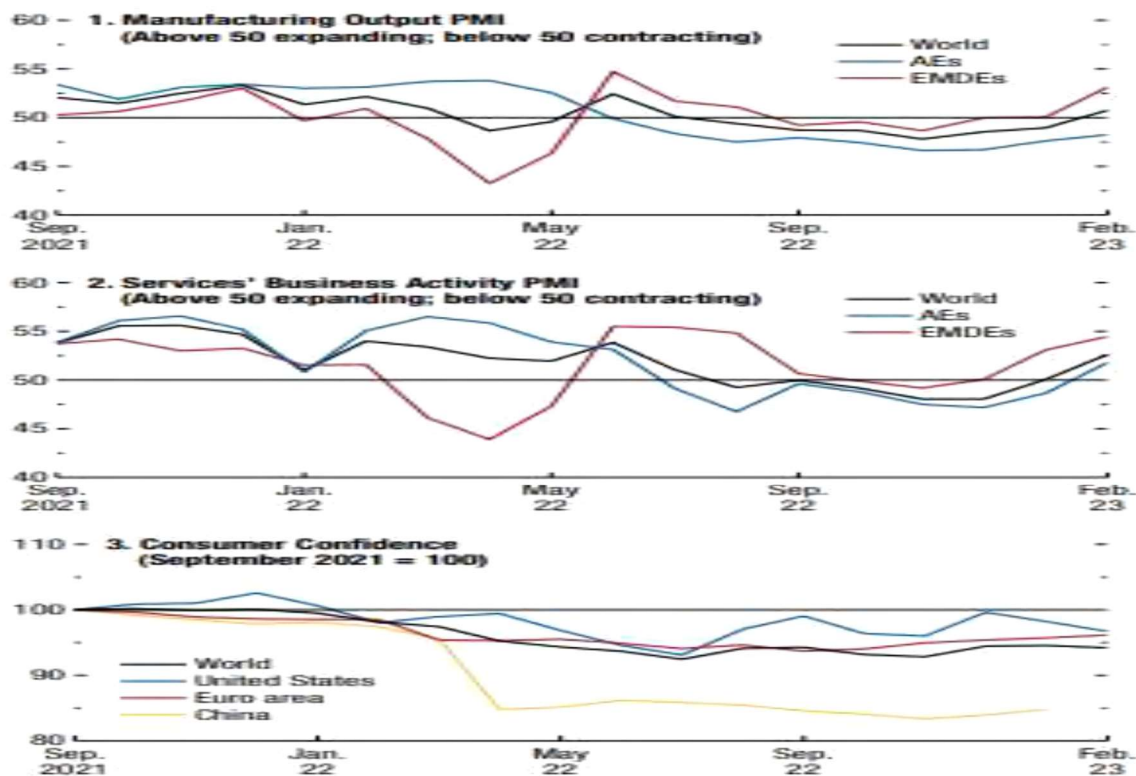
debt levels, commodity price spikes and geo-economic fragmentation with Russia's war in Ukraine, and China's economic reopening—seem likely to continue into 2023. But these forces are now overlaid by and interacting with new financial stability concerns. A hard landing—particularly for advanced economies—has become a much larger risk. Policymakers may face difficult trade-offs to bring sticky inflation down and maintain growth while also preserving financial stability.

Figure 1.1. Broad Equity and Bank Equity Indices for Selected Major Economies
(Index; January 1, 2023 = 100)



Sources: Bloomberg Finance L.P.; and IMF staff calculations.
Note: Latest data available are for March 28, 2023.

Figure 1.2. Early 2023 Activity Indicators Strengthened but Confidence Remained Depressed
(Indices)



Indebtedness Staying High

As a result of the pandemic and economic upheaval over the past three years, private and public debt have reached levels not seen in decades in most economies and remain high, despite their fall in 2021–22 on the back of the economic rebound from COVID-19 and the rise in inflation. Monetary policy tightening—particularly by major advanced economies—has led to sharp increases in borrowing costs, raising concerns about the sustainability of some economies’ debts. Among the group of emerging market and developing economies, the average level and distribution of sovereign spreads increased markedly in the summer of 2022, before coming down in early 2023. The effects of the latest financial market turmoil on emerging market and developing economy sovereign spreads have been limited so far, but there is a tangible risk of a surprise increase in coming months should global financial conditions tighten further. The share of economies at high risk of debt distress remains high in historical context, leaving many of them susceptible to unfavorable fiscal shocks in the absence of policy actions.

OVERVIEW OF NBFCs’ CREDIT

1. Introduction

The Indian banking industry is classified into scheduled and non-scheduled banks. Banks that are included in the Second Schedule to the Reserve Bank of India Act, 1934 are called scheduled banks. These banks are then further classified into scheduled commercial banks (“SCBs”) and scheduled co-operative banks. SCBs are banks that are permitted to conduct the normal business of banking, which entails collecting deposits, sanctioning loans and offering other banking services. SCBs are further divided into Public Sector Banks (“PSBs”), Private Banks (“PVBs”), Foreign Banks and Regional Rural Banks (“RRBs”).

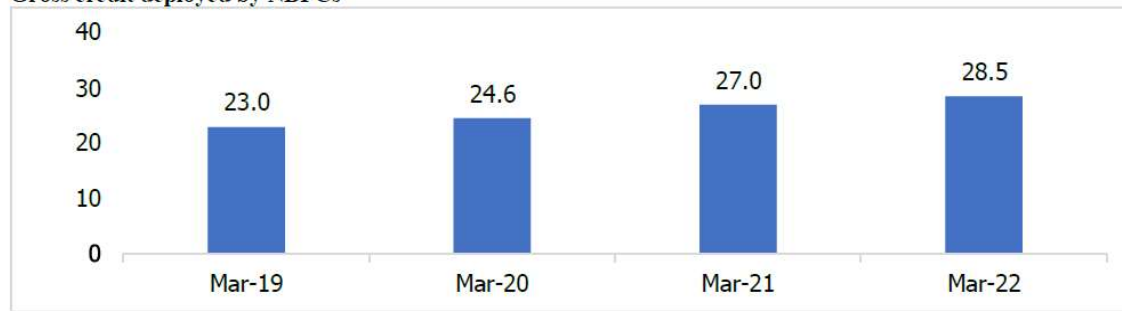
Apart from SCBs, there are non-banking financial companies (“NBFCs”) that also play an important role in the Indian financial system by complementing and competing with banks, and by promoting efficiency and diversity into financial intermediation. NBFCs have evolved considerably in terms of operations, heterogeneity, asset quality and profitability, and regulatory architecture.

NBFCs can be classified on the basis of a) asset/liability structures; b) systemic importance; and c) the activities they undertake, according to the RBI. In terms of liability structures, NBFCs are subdivided into deposit-taking NBFCs (“NBFCs-D”) - which accept and hold public deposits - and non-deposit taking NBFCs (“NBFCs-ND”) - which source their funding from markets and banks. Among NBFCs-ND, those with asset size of Rs. 5 billion or more are classified as non-deposit taking systemically important NBFCs (“NBFCs-ND-SI”). As on July 31, 2022, there were 49 NBFCs-D and 415 NBFCs-ND-SI, according to RBI.

Bank credit growth, including food and non-food credit growth, witnessed a slowdown in Fiscal 2020 on account of a gradual slowdown in the economy and the resultant fall in demand. Credit growth declined to 6.1% as of March 2020. The outbreak of COVID-19 led to a further easing of credit growth to 5.6% as of March 2021. Following the end of COVID-19-related lockdowns, the credit growth registered a pick up and ended Fiscal 2022 at Rs. 118.9 trillion, 8.6% higher than at end of Fiscal 2021.

A default in debt repayments by a large NBFC in India in 2018 led to heightened investor focus around the health of the broader NBFC sector as well as their sources of liquidity. This led to some tightening in liquidity available to certain NBFCs and, as a result, it became more difficult for certain NBFCs to access debt and raise equity capital. NBFCs recorded a similar trajectory in their credit growth over the past three years. NBFCs’ credit grew by 9.6% in Fiscal 2021, it moderated to 5.6% as of March 2022 over March 2021. CareEdge Research believes that the moderation was partly due to caution on the part of NBFCs in deploying credit while maintaining asset quality, and largely due to the second wave of the pandemic, which impacted and semi-urban India – and this demographic group forms the large chunk of NBFCs’ customer base.

Gross credit deployed by NBFCs



Source: CMIE, RBI, CareEdge Research

To maintain the asset quality post the moratorium in the first half of FY22, NBFCs were more cautious while deploying any fresh credit, which led to a slight decline in NBFCs' total credit deployed. As of March 2022, NBFCs' credit deployed reached Rs. 28.5 trillion, this increase was on account of ramp-up in economic activity, improved liquidity and strong balance sheets coupled with high provisions, which supported the asset quality and credit growth for NBFCs.

Growth Drivers

Last mile financing & unbanked population

NBFCs have a strong presence in unorganized and under-served areas where banks may not have a strong foothold. This is on account of the absence of necessary infrastructure of banks in these areas as well as an aversion on the part of banks to disburse loans to smaller companies. The ease of internet access and affordable data packs have not only contributed to increased spending and demand for retail credit from these areas, but have also increased the potential consumer base of NBFCs.

Focus on informal customer base

Traditional banks may not be very keen on lending to retail borrowers from semi-urban and rural areas or small companies with weaker credit scores and lack of documentation, when compared to larger borrowers. However, in terms of volume, the number of potential customers in this category is higher and NBFC have created niche segment by having customized credit assessment method based on cash flow assessment and field verification. This gives NBFCs an opportunity to extend credit to the financially weaker set of customers, a growing customer base in the informal customer segment opens up avenues for NBFCs' growth.

Technological adoption and Co-lending arrangements:

NBFCs deploy technological solutions to develop innovative products and lower operational costs. Since NBFCs are fairly new in the financial landscape as compared to most banks, they are more agile and better positioned to leverage technology to enhance their reach while increasing efficiency.

NBFCs also partner with various alternative financiers and commercial banks, which enables them to diversify their income avenues and reach their targeted customer base through different channels.

Shift in buying behaviour

Over the years, there has been significant change in perception of consumers towards borrowing. With the need to improve lifestyle, more and more people especially the younger population are moving towards borrowing to attain a certain standard of living.

Rising demand from retail customers

Retail borrowers accounted for around 26% of total credit disbursed by NBFCs as on 31 March 2022, as per data published by the RBI. Along with being a significant chunk of the customer base of NBFCs, the retail segment has shown a consistent growth in credit demand throughout the pandemic. Going forward, CareEdge Research believes

that the demand for consumer durables, consumption of services, home loans and gold loans are likely to support the growth in retail demand and, consequently, aid in the new business of NBFCs.
Increased demand from MSME and agriculture

Favourable Government policies aimed at boosting agriculture, small-scale industries and consumption are likely to act as long-term growth catalysts in improving demand for MSME and agricultural credit. The “Make in India”, “Start-up

India’s initiatives, for example, are likely to support industrial activity and contribute to the demand for credit from NBFCs. As on 28 November 2022, more than 12,244,823 micro, small and medium enterprises (MSMEs) have registered on the Udyam portal, of which 11,778,071 are micro enterprises; 427,267 are small enterprises; and 39,485 are medium enterprises. Micro and small enterprises represent 99.7% of the total registered MSMEs as of 28 November 2022. The coverage of the formal banking system in MSMEs still remains low, which provides a major opportunity to NBFCs to expand their reach.

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 in shares, securities, commodities, currency Market and investment in G Sec Bonds, liquid funds and Debt Funds.

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 Hunnar Jewels Limited (*Formerly known as Agrawal Bullion Limited*). As a Non-Banking Financial Company, we are involved in providing financial services with focus in corporate and non-corporate sector and investment and dealing in shares and securities, commodities Market, currency Market and investment in G Sec Bonds, liquid funds and Debt Funds.

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 via NCLT order dated 20th July, 2020. 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 and also in the business of trading in shares, securities, commodities, currency Market and investment in G Sec Bonds, liquid funds and Debt Funds. 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. The below table captures the financial information of the Company.

(In Lacs except EPS)

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Equity Share Capital	₹4,804.623	₹4,804.623	₹2,564.87
Net Worth	₹11,7422.552	₹1,5248.08	₹1,6204.45
Total Income	₹3,270.374	₹2,088.09	₹10,094.86
Profit / (loss) after tax	₹2,337.287	₹(5,476.14)	₹6,936.59
Basic EPS	₹5.024	(-)₹11.40	₹27.04

Diluted EPS	₹5.024	(-)₹11.40	₹27.04
Net asset value per Equity Share	₹36.26	₹31.74	₹63.18
Total borrowings	₹655.160	₹651.23	₹689.70

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 36 (Thirty Six) months.

2. Long term Loans

Our Company provides loans to corporate and non-corporate for a tenure ranging between 36 (Thirty Six) to 84 (Eighty-Four) months.

3. Investment in shares and securities

Our Company invests and deals in shares and securities, Mutual Funds, Commodity Markets, Currency Markets, G Sec, liquid funds and Debt Funds.

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 Authorised 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
7.	Increase in Authorised Share Capital from ₹51,30,00,000.00/- (Rupees Fifty One Crores Thirty Lakhs Only) comprising of 5,13,00,000 (Five Crore Thirteen Lakhs) equity shares of face value of ₹10.00/- (Rupee Ten Only) to ₹61,30,00,000.00/- (Rupees Sixty One Crores Thirty Lakhs Only) comprising of 6,30,00,000 (Six Crores Thirty Lakhs) equity shares of face value of ₹10.00/- (Rupee Ten Only)	September 30, 2023	Annual General Meeting
8.	Increase in Authorised Share Capital from 61,30,00,000.00/- (Rupees Sixty One Crores Thirty Lakhs Only) comprising of 6,30,00,000 (Six Crores Thirty Lakhs) of face value of ₹10.00/- (Rupee Ten Only) to ₹101,30,00,000.00/- (Rupees One Hundred and One Crores Thirty Lakhs Only) comprising of 101,30,00,000 (One Hundred and One Crores and Thirty Lakhs) equity shares of face value of ₹10.00/- (Rupee Ten Only)	November 10, 2023	Extra-Ordinary General Meeting

OUR MANAGEMENT

BOARD OF DIRECTORS

As on date of this Draft Letter of Offer, our Company currently has 5 (Five) directors on its Board, 2 (Two) Executive Directors and 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 Draft Letter of Offer:

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age	Other directorships
Girraj Kishor Agrawal <i>Designation</i> Executive Director; 3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri (West), Azad Nagar, Mumbai – 400053, Maharashtra, India <i>Address</i> <i>Occupation</i> Professional <i>Term</i> Not Applicable <i>Period of Directorship</i> Liable to retire by rotation <i>Nationality</i> Indian <i>Date of Birth</i> May 19, 1964 <i>DIN</i> 00290959;		59 years	1. Imagine Entertainment And Media Private Limited 2. Hunnar Jewels Limited (Formerly Agrawal Bullion Limited) 3. Handful Investrade Private Limited 4. Tilak Ventures Limited
Tanu Girraj Agrawal <i>Designation</i> Executive Director; 3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri(W), Mumbai – 400053, Maharashtra, India <i>Address</i> <i>Occupation</i> Professional <i>Term</i> July 13, 2010 till date <i>Period of Directorship</i> Liable to retire by rotation; <i>Nationality</i> Indian <i>Date of Birth</i> October 04, 1968 <i>DIN</i> 00290966		55 years	1. Tilak Ventures Limited 2. Handful Investrade Private Limited 3. Hunnar Jewels Limited (Formerly Agrawal Bullion Limited)
Chirag Goyal <i>Designation</i> Non-Executive Independent Director 201, Vaibhav Apartments, Adarsh Colony, Sumerpur, Pali – 306902, Rajasthan, India <i>Address</i> <i>Occupation</i> Professional <i>Term</i> December 31, 2020, till date <i>Period of Directorship</i> Not liable to retire by rotation; <i>Nationality</i> Indian <i>Date of Birth</i> November 25, 1993 <i>DIN</i> 09013570		30 years	1. Tilak Ventures Limited

Name, Designation, Address, Occupation, Term, Nationality, Date of Birth and DIN		Age	Other directorships
Vikash Kulhriya			
<i>Designation</i>	Non-Executive and Independent Director		
<i>Address</i>	Ward No. 12, Loharwara, Lorwara Sikar – 332708, Rajasthan, India		
<i>Occupation</i>	Professional	28 years	1. Tilak Ventures Limited
<i>Term</i>	December 31, 2020, till date		
<i>Period of Directorship</i>	Not liable to retire by rotation;		
<i>Nationality</i>	Indian		
<i>Date of Birth</i>	September 12, 1995		
<i>DIN</i>	09014921		
Ashish Kachhara			
<i>Designation</i>	Non-Executive and Independent Director		
<i>Address</i>	Old Post Office Gali, Sadar Bazar, Chittorgarh, Rajasthan - 312001		
<i>Occupation</i>	Professional	28 years	1. Tilak Ventures Limited
<i>Term</i>	August 29, 2022, till date		
<i>Period of Directorship</i>	Not liable to retire by rotation;		
<i>Nationality</i>	Indian		
<i>Date of Birth</i>	September 8, 1990		
<i>DIN</i>	09671227		

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 Draft 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 Draft Letter of Offer.

Relationship between Directors

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

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

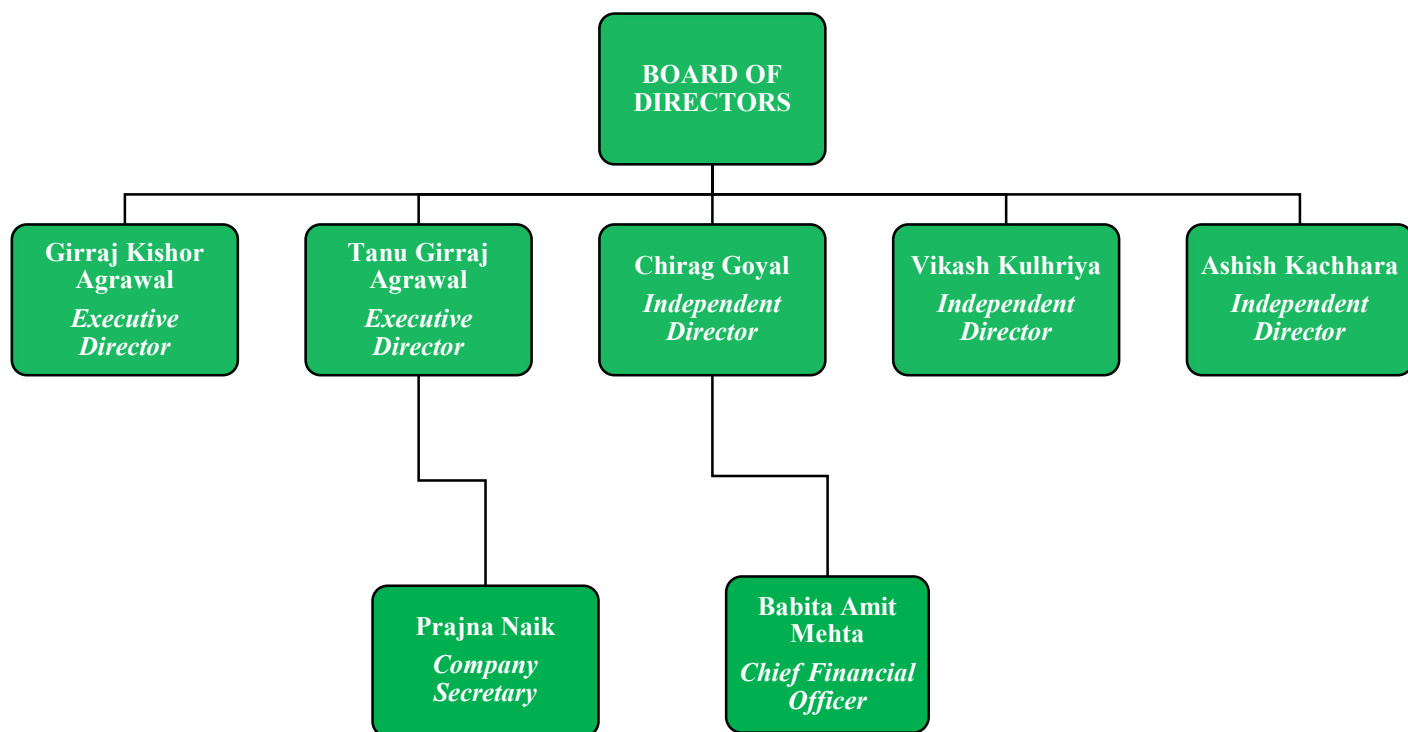
Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers, or others pursuant to which any of the above-mentioned directors have been appointed in the Board.

Details of service contracts entered with Directors

Our Company has not entered into 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)
Tanu Girraj Agrawal <i>Designation</i> Executive Director; <i>Address</i> 3A/1601, Green Acres, Lokhandwala Complex, Near Axis Bank Lokhandwala Andheri(W), Mumbai – 400053, Maharashtra, India <i>Date of Appointment</i> July 13, 2010 <i>Nationality</i> Indian <i>Educational Qualification</i> Graduate		55 years
Babita Amit Mehta <i>Designation</i> Chief Financial Officer <i>Address</i> A/302, Samrat Millenium Paradise, Gokul Township, Agashi Road, Opp. Gokuleshwar Temple, Virar West, Thane 401303 <i>Date of Appointment</i> August 10, 2023 <i>Nationality</i> Indian <i>Educational Qualification</i> Graduate		51 years
Prajna Naik <i>Designation</i> Company Secretary; <i>Address</i> 702 Aaditya Apartment, Yashwant nagar, R.R. Kamble Road, Vakola Santacruz East Mumbai – 400055, Maharashtra, India <i>Date of Appointment</i> April 15,2019 <i>Nationality</i> Indian <i>Educational Qualification</i> Company Secretary		38 years



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SECTION VII – FINANCIAL INFORMATION

FINANCIAL STATEMENTS SEPTEMBER 30, 2023

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Review Report on Quarterly and Half Yearly Unaudited Standalone Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended)

**To
The Board of Directors,
Banas Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Banas Finance Limited** ("the Company") for the quarter and half year ended 30th September 2023 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with applicable Indian Accounting Standards (Ind AS) as prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is primarily limited to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For A K Kochhar & Associates
Chartered Accountants
(FRN No:0120410W)**

**Sd/-
Hitesh Kumar S
Partner
Membership No: 134763
UDIN: 23134763BGWWVD2186
Place: Mumbai
Date: 8/11/2023**

Independent Auditor's Review Report on Quarterly and Half Yearly Unaudited Consolidated Financial Results of the Company pursuant to Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended)

**To The Board of Directors of
Banas Finance Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **Banas Finance Limited** ("the Parent" or "the Company") and its associate company, (together referred to as "the Group") for the quarter and half year ended 30th September 2023 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended.
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors at their meeting held on 8th November, 2023, has been prepared in accordance with applicable Indian Accounting Standards 34 "Interim Financial Reporting" (Ind AS 34), as prescribed under section 133 of the Companies Act, 2013, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Engagements to Review financial Statements issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statement is free of material misstatement. A review is primarily limited to inquires of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29th March 2019 issued by the SEBI under Regulations 33 (8) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement also includes the interim financial results of 1 Associate namely Tilak Ventures Limited which have been management certified for the quarter and half year ended 30th September, 2023, as considered in the unaudited Consolidated financial results. According to the information and explanation given to us by the management these interim financial results are not material to the group.

Our conclusion on the Statement is not modified in respect of the above matters with respect to our reliance on the interim financial information certified by us

**For A K Kochhar & Associates
Chartered Accountants
(FRN No:0120410W)**

**Sd/-
Hitesh Kumar S
Partner
Membership No: 134763
UDIN: 23134763BGWWVE9539
Place: Mumbai
Date: 8/11/2023**

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 30.09.2023

(In Lakhs)

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
ASSETS			
Financial Assets			
Cash and cash equivalents	562.521	549.897	1,120.147
Bank balance other than cash and cash equivalents	10.110	10.000	10.000
Loans (At Amortised Cost)	2992.560	2,187.230	2,806.508
Investments	9862.578	8912.449	13,812.957
Other financial assets	1937.126	1524.177	876.317
Total Financial Assets	15364.895	13183.753	1,8625.929
Non-financial Assets			
Inventories	-		
Deferred tax assets (net)	2529.646	2529.646	-
Property, plant and equipment	2.248	2.278	2.530
Other non-financial assets	195.032	218.957	179.635
Total Non-financial Assets	2726.926	2750.881	182.16
Total	18091.820	15934.633	1,8808.094
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	11.063	2.861	1.916
Other Current Liability	3.046	31.474	-
Borrowings	665.160	651.231	689.697
Total Financial Liabilities	669.268	685.566	691.613
Non-financial liabilities			
Provisions	-	-	
Other Non Financial Liabilities	-	-	
Deferred tax Liability	-	-	1968.945
Total Non-Financial Liabilities	-	-	1968.945
Equity			
Equity Share capital	4804.623	4804.623	2564.873
Other equity	12617.929	10444.444	13583.262
Total equity	17422.552	15249.067	16148.135
Total	18091.820	15934.633	18808.094

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

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2023 BSE CODE : 509053

Sr. No.	PARTICULARS	Quarter Ended			Half Year Ended		Year Ended
		30.09.2023	30.06.2023	30.09.2022	30.09.2023	30.09.2022	31.03.2023
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	(Rs. In Lakhs except EPS)						
1	Income						
	A. Revenue from operations						
(i)	Interest Income from Loan	40.797	14.434	51.653	55.232	96.815	169.342
(ii)	Interest Income from Securities	57.395	58.467	74.817	115.861	83.035	204.594
(iii)	Sale of shares & Securities	342.133	486.641	26.161	828.774	718.647	1,337.845
(iv)	Income/Loss from Future & Options	85.511	62.367	45.965	147.877	83.669	264.963
(v)	Net gain on fair value changes on Investment	1,212.848	480.016	(2,182.588)	1,692.864	(8,022.728)	-
(vi)	Income/Loss from Speculation Business	1.252	0.141		1.392	0.000	0.261
	B. Other Income						
(i)	Interest income	2.502	6.209	9.223	8.710	18.527	37.457
(ii)	Dividend Income	3.192	2.329	1.894	5.521	2.151	3.362
(iii)	Bad Debts Recovered	3.500	-	34.000	3.500	34.000	64.000
(iv)	Other Income	401.239	9.403	-	410.642	-	6.269
					-	-	
	Total other Income (B)	410.433	17.941	45.118	428.373	54.678	111.088
	Total Revenue From Operations (A)	1,739.935	1,102.066	(1,983.991)	2,842.001	(7,040.562)	1,977.005
	Total income (A+B)	2,150.368	1,120.007	(1,938.874)	3,270.374	(6,985.885)	2,088.093
2	Expenses						
	Transaction Charges	0.226	0.894	-	1.120	-	30.504
	Purchases of Shares & Securities	683.764	536.964	65.144	1,220.728	841.086	2,442.232
	Changes in inventories of shares & Securities	(399.794)	(54.037)	(54.980)	(453.831)	(104.347)	(565.714)
	Employee benefit expense	27.126	27.526	41.509	54.652	66.549	121.843
	Finance costs	2.183	2.183	4.431	4.366	7.030	9.644
	Depreciation, depletion and amortisation expense	-	0.030	0.035	0.030	0.089	0.252
	Net loss on fair value changes on Investment	-	-	66.565	-	(24.556)	9,722.094
	Provision made/ (written Back)	(141.872)	(31.802)	-	(173.674)	-	37.568
3	Other expenses						
	Bad Debts	227.367	-	-	227.367		161.391
	Other Expenditure	9.421	14.817	51.189	24.238	66.218	97.291
	Total other expenses	236.788	14.817	51.189	251.606	66.218	258.682
	Total Expenses	408.421	496.575	173.893	904.996	852.069	12,057.105
4	Total profit before exceptional items and tax	1,741.946	623.432	(2,112.767)	2,365.378	(7,837.954)	(9,969.012)
	Exceptional items						
	Total profit before tax	1,741.946	623.432	(2,112.767)	2,365.378	(7,837.954)	(9,969.012)
5	Tax expense						
	Current tax	-	28.091	-	28.091		-
	Deferred tax	-	-	-	-		(4,497.991)
	Tax of earlier years	-	-	-	-		5.116
	Total tax expenses	-	28.091	-	28.091		(4,492.875)
	Net Profit Loss for the period from continuing operations	1,741.946	595.341	(2,112.767)	2,337.287	(7,837.954)	(5,476.137)
6	Share of profit (loss) of associates and joint ventures accounted for using equity method	29.662	54.277	(8.923)	76.613	(3.154)	145.012
7	Total profit (loss) for period	1,771.608	649.618	(2,121.690)	2,413.900	(7,841.108)	(5,331.125)
	Other comprehensive income net of taxes of associates for using equity method	49.281	54.888	2.762	20.019	(9.275)	(77.833)
8	Total Comprehensive Income for the period	1,820.889	704.506	(2,118.928)	2,433.919	(7,850.383)	(5,408.958)
9	Details of equity share capital						
	Paid-up equity share capital	4,804.623	4,804.623	4,804.623	4,804.623	4,804.623	4,804.623
	Face value of equity share capital	10.000	10.000	10.000	10.000	10.000	10.000
10	Reserves excluding revaluation reserve	12,617.929	10,972.605	8,015.449	12,617.929	8,015.449	10,377.265
11	Earnings per share						
	Basic earnings per share	3.687	1.352	(4.416)	5.024	(16.320)	(11.096)
	Diluted earnings per share	3.687	1.352	(4.416)	5.024	(16.320)	(11.096)

Notes

- 1 The above Consolidated Financial Results were reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 08/11/2023
- 2 The holding of Banas Finance Limited in Tilak Ventures Limited as on 30th September, 2023 is 9,35,94,755 fully paid up Equity shares totalling to 42.00% of the total capital of Tilak Ventures Limited. Thus Tilak Ventures Limited is the Associate of the Banas Finance Ltd and therefore we are submitting Consolidated Audited Financial Results for 30th September, 2023.
- 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 The figures for the previous periods / year are re-classified / re-arranged / re-grouped, wherever necessary, to confirm current period classification.
- 5 As per Indian Accounting Standard (IndAS) 108 "Operating Segment", the Company's Business falls within a single Business Segment viz "Finance & Investments" and thus Segmental report is not Applicable to company.
- 6 This Result is available on company Website www.banasfinance.wordpress.com as well as BSE website www.bseindia.com
- 7 Investor Complaint for the Quarter Ended 30/09/2023. Opening - 0, Received -0, Resolved -0, Closing -0.

FOR BANAS FINANCE LIMITED

**Sd/-
GIRRAJ KISHOR AGRAWAL
DIRECTOR
DIN:00290959**

**PLACE : MUMBAI
DATE : 08/11/2023**

BANAS FINANCE LIMITED		
Unaudited Consolidated Cash Flow for the Quarter and Half Year Ended 30 September 2023		
	Rs. in Lakhs	
Particulars	For year ended 30.09.2023	For year ended 30.09.2022
Cash Flow from Operating Activities		
Profit Before Tax	2,365.378	(7,837.954)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation	0.030	0.089
Finance Cost	4.366	7.030
Bad debts	227.367	-
Bad Debts Recovered	(3.500)	-
Profit on sale of Investment	-	-
Interest Income on loan	(55.232)	(96.815)
Write off	-	22.421
Write back	-	-
Provision for Expected Credit loss	173.674	-
Income From Alternate Investment Fund	(7.043)	-
Net Loss/(Gain) on fair value changes	(1,692.864)	8,022.728
Operating Profit before Working Capital Changes	1,012.177	117.500
Working Capital changes		
(Increase)/Decrease in Loans	(1,147.640)	120.876
(Increase)/Decrease in Other financial assets	(412.949)	(472.416)
(Increase)/Decrease in Other non-financial assets	23.935	-
Increase/(Decrease) in Trade payables	8.201	2.936
Increase/(Decrease) in Non Financial Liability	-	(51.002)
Increase/(Decrease) in Other Current Liability	(28.428)	20.120
Increase/(Decrease) in Borrowing	3.929	(23.265)
Cash Generated From Operations	(540.775)	(285.251)
Less: Income Tax Paid Earlier Year	(28.091)	-
Net Cash from Operating Activities A	(568.866)	(285.251)
Cash Flow from Investing Activities		
Proceed from sale of Investment	-	-
Investment made during the year	578.924	(3,794.974)
Income From Alternate Investment Fund	7.043	96.815
Bank Deposits (More than 3 months & upto 12 months)	(0.110)	-
Net Cash from Investing Activities B	585.857	(3,698.160)
Cash Flow from Financing Activities		
Proceeds from Issue share capital	-	2,239.750
Proceeds from Share Premium	-	2,239.750
Finance cost	(4.366)	(7.030)
Proceeds from borrowings	-	-
Repayment of borrowings	-	-
Net Cash from Financial Activities C	(4.366)	4,472.471
Net Increase/ Decrease in Cash and Cash Equivalents (A+B+C)	12.625	489.060
Cash and Cash Equivalents-Opening Balance	549.897	1,120.147
Cash and Cash Equivalents-Closing Balance	562.522	1,631.627

FINANCIAL STATEMENTS MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors
BANAS FINANCE LIMITED.

Report on Audit of the Standalone Financial Statements

Opinion

We have audited the Ind AS financial statements of Banas Finance Limited ('the Company'), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss, statement of changes in equity and the cash flow statement for the year then ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") 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 March 31, 2023, and 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 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 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the 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 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 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 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	We have read and assessed the Company's Accounting policies for impairment of financial assets and their compliance with Ind AS 109.

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.	We evaluated the reasonableness of the Management estimates by understanding the process of ECL estimation.
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 behavioural 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.	<p>Tested the ECL model, including assumptions and underlying computation.</p> <p>Assessed the floor/minimum rates of provisioning applied by the Company for loan products with inadequate historical defaults.</p> <p>Audited disclosures included in the Ind AS financial statements in respect of expected credit losses.</p>

Information other than the Financial Statement and Auditor's 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 Ind AS financial statements and our auditors' report thereon.

Our opinion on the 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 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 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.

Management's Responsibilities for the Standalone Financial Results

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 these Ind AS financial statements that give a true and fair view of the financial position, financial performance, 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Those Board of Directors are also responsible for overseeing the company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 these Ind AS financial statements.

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 standalone 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 control.
- Obtain an understanding of internal control 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 the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 financial results 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 standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Standalone Financial Results of the Company to express an opinion on the Standalone Financial Results.

Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose so for audit.
- b) 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.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in the agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from be in gap pointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

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

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- iv. (a) The Management has represented that, to the best of it’s knowledge and belief, as disclosed in note 19 to the financial statements 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(s) or entity (ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, 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.
- (b) The Management has represented, that, to the best of it’s knowledge and belief, as disclosed in the note 19 to the

financial statements, no funds have been received by the Company from any person(s) or entity (ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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. (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Company has not declared or paid any dividend during the current year.

vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

ForDassani & Associates

Chartered Accountants

Firm Registration No.:009096C

Sd/-

CA. Churchill Jain

Partner

Membership No.: 409458

UDIN:23409458BGWLBK9210

Place: Indore

Date: 26 May, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT -31ST MARCH 2023 ON THE STANDALONE FINANCIAL STATEMENTS OF BANAS FINANCE LIMITED.

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

We have audited the internal financial controls over financial reporting of Banas Finance Limited (“the Company”) as of March 31, 2023 in conjunction with our audit of the standalone 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 Accountants of India. 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 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.

Auditors’ 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 Note 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 168 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 was 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 Annual Report BANAS FINANCE LIMITED 40th Annual General Meeting accordance with authorizations of 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, 2023.

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, 2023, 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, 2023 financial statements of the Company, and the material weaknesses does not affect our opinion on the financial statements of the Company.

For Dassani & Associates

Chartered Accountants

Firm Registration No.: 009096C

Sd/-

CA. Churchill Jain

Partner

Membership No.: 409458

UDIN:23409458BGWLBK9210

Place: Indore

Date: 26 May, 2023

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT-31ST MARCH 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. (a) (A) The Company has proper records related to full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The company is not having any intangible asset. Therefore, the provisions of Clause (i)(a)(B) of paragraph 3 of the order are not applicable to the company.

(b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.

(c) There are no immovable properties, therefore, the provisions of Clause (i)(c) of paragraph 3 of the order are not applicable to the company.

(d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

iii. The Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships and other parties during the year

(a) The Company has granted no loans to parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').

(b) The investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and repayment is regular

(d) In respect of following loan granted by the Company, there is no overdue amount in terms of principal and interest.

(e) No loan or advance in the nature of loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to information and explanations given to us and based on the audit procedures performed, the Company has granted loans or advances in the nature of repayable on demand during the year. Hence, reporting under clause (iii)(f) is as under:

Particulars	Amount (in Lakhs)
Loan repayable on demand	2447.53

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order, regarding maintenance of cost records is not applicable.

vii. In respect of statutory dues:

a). According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues applicable to it.

b). According to the information and explanations given to us, there are not any statutory dues referred in sub- clause (a) which have not been deposited on account of any dispute. Therefore, the provisions of Clause (vii)(b) of paragraph 3 of the order are not applicable to the Company.

c) According to the records of the company, the dues of income tax, sales tax , service tax, duty of custom , duty of excise , value added tax , goods and services tax and cess which have not been deposited on account of any dispute, are as follows:

Assessment Year	Amount in Lakhs	Remarks
2011-12	22.31	Unexplained Cash Credit u/s 68
2013-14	1	Listing Fees were disallowed
	1999.2	Cash Credit has been disallowed
	1.40	Income has been voluntarily added by the assessee
2015-16	14.71	Disallowance u/s 14A
	0.68	Addition u/s 68 of the Income Tax Act.
2014-15	7.31	Disallowance u/s 14A
2017-18	2.47	Disallowance u/s 14A
2016-17	17.47	Disallowance u/s 14A
	26.32	Disallowance on Sale of Shares
	0.53	Unexplained Expenses has been added

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) The Company has not taken any term loan during the year and there are no unutilized term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.

(f) the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x. (a) The Company has issued its securities (including debt instruments) during the year as per Note 14 of financial statements

(b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable.

xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanation given to us, the Company is in compliance with Section 177 and 188 of the Act, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) According to the information and explanation given to us, the company has an internal audit system commensurate with the nature and size of its business;

(b) The reports of the Internal Auditors for the period under audit were considered by us.

xv. In our Opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of Companies Act are not applicable to the Company.

xvi. (a) The company is engaged in the business of Non-Banking Financial Institution and it has obtained the certificate of registration from the Reserve Bank of India under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).

(b) The Group does not have any Core Investment Company (CIC) as part of the Group and accordingly clause (xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of statutory auditor during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

xxi. The company has made investments in subsidiary company. Therefore, the company require to prepare consolidated financial statement.

For Dassani & Associates

Chartered Accountants

Firm Registration No.: 009096C

Sd/-

CA. Churchill Jain

Partner

Membership No.: 409458

UDIN:23409458BGWLBK9210

Place: Indore

Date: 26 May, 2023

NON-BANKING FINANCIAL COMPANIES AUDITOR'S REPORT (RESERVE BANK) DIRECTIONS, 2016

**INDEPENDENT AUDITORS' REPORT
TO THE BOARD OF DIRECTORS OF BANAS FINANCE LIMITED**

Pursuant to the paragraphs 3 (A) and (C) of the Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 ("the Directions") issued by the Reserve Bank of India (RBI), we have examined the matters specified in the directions in respect of Banas Finance Limited (hereinafter referred to as "the Company"), for the year ended March 31, 2023.

Management's Responsibility

The Management is responsible for the design and implementation of internal procedures, systems, processes and controls to ensure compliance with the Directions on an ongoing basis. The Management is also responsible for ensuring that the Company complies with the requirements of the Directions and for providing all relevant information to RBI.

Auditor's Responsibility

Pursuant to the requirements of the directions it is our responsibility to examine the books and other records of the Company and report on the matters as prescribed by the RBI.

We conducted our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of 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.

Conclusion

Based on our examination of the books and records of the Company as produced for our examination, and the information and explanations given to us, we further report that:

1. (a) The Company is engaged in the business of non-banking financial institution and has obtained a Certificate of Registration No. N-13.01152 dated 21.01.1999, as provided in Section 45-IA of the Reserve Bank of India Act, 1934.
(b) The Company is entitled to continue to hold Certificate of Registration in terms of its asset/income pattern as on March 31, 2023.
(c) The Company is meeting the required net owned fund requirement as laid down in Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.
2. (a) The Board of Directors has passed a resolution for the non-acceptance of any public deposits in its meeting held on 27.04.2022.
(b) The Company has not accepted any public deposits during the relevant year.
(c) The Company has not complied with the prudential norms relating to income recognition, asset classification and provisioning for bad and doubtful debts as applicable to it.
(d) The Company is not NBFC Micro Finance Institutions (MFI) as defined in the Non- Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016.

For DASSANI & ASSOCIATES

Chartered Accountants

Firm Registration No.: 009096C

Sd/-

CA. Churchill Jain

Partner

M No. 409458

UDIN: 23409458BGWLEI2324

Place: Mumbai

Date: August 29, 2023

Banas Finance Limited

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR PERIOD 31.03.2023

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 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 Financial Statements which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31st March, 2023, and a summary of the significant accounting policies and other explanatory information (together hereinafter referred to as "Financial Statements").

B) Basis of measurement

The Ind AS 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 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 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 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 Financial Statements is made relying on these estimates. ii) The estimates and judgements used in the preparation of the 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 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 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

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/behavioural 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. Determination of PD is covered above for each stages of ECL. 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. 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 shareholders 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			
BALANCE SHEET AS AT 31st MARCH, 2023			
ASSETS	Note	As at March 31, 2023 Amount (Rs. In Lakhs)	As at March 31, 2022 Amount (Rs. In Lakhs)
Financial Assets			
Cash and cash equivalents	2	549.90	1,120.15
Bank balance other than cash and cash equivalents	3	10.00	10.00
Loans (At Amortised Cost)	4	2,187.23	2,806.51
Investments	5	8,845.27	13,843.35
Other financial assets	6	1,524.18	876.32
Total Financial Assets		13,116.57	18,656.32
Non-financial Assets			
Deferred tax assets (net)	7	2,529.65	-
Property, plant and equipment	8	2.28	2.53
Other non-financial assets	9	218.96	179.63
Total Non-financial Assets		2,750.88	182.16
TOTAL		15,867.45	18,838.48
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Trade payables	10		
(i) total outstanding dues of micro enterprises and small enterprises		2.07	-
(ii) total outstanding dues of creditors other than micro enterprises		0.79	1.92
Borrowings	11	651.23	689.70
Other Financial Liability	12	31.47	-
Total Financial Liabilities		685.57	691.61
Non-financial liabilities			
Deferred tax Liability	13		1,968.34
Total Non-Financial Liabilities		-	1,968.34
Equity			
Equity Share capital	14	4,804.62	2,564.87
Other equity	15	10,377.26	13,613.65
Total equity		15,181.89	16,178.53
TOTAL		15,867.45	18,838.48
Significant Accounting Policies	1-48		
The accompanying notes are an integral part of financial statements			
As per our Report of Even Date		For and on behalf of the Board of Directors	
For Dassani & Associates		of Banas Finance Limited	
Chartered Accountants			
(Firm Registration No.009096C)			
Sd/-		Sd/-	Sd/-
CA Churchill Jain		Girraj Kishor Agrawal	Amit Gulecha
Partner		[Director]	[Director]
Membership Number: 409458		DIN: 00290959	DIN: 06964404
Place: Indore			
Date: 26/05/2023		Sd/-	Sd/-
UDIN : 23409458BGWLBK9210		Prajna Naik	Nemichand Saini
		[Company Secretary]	[CFO]

BANAS FINANCE LIMITED CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH 2023 Amount (Rs. In Lakhs except EPS)			
Particulars	Note	For the Year ended 31st March 2023	For the Year ended 31st March 2022
Revenue from operations			
Revenue from operations	16	1,772.41	1,191.96
Other Income	17	315.68	8,902.91
Total Income		2,088.09	10,094.86
Expenses			
Purchases	18	2,442.23	1,359.74
Changes in inventories of stock in trade	19	(565.71)	(489.76)
Employees benefits expense	20	124.66	34.71
Finance costs	21	9.64	10.93
Depreciation & Amortisation expenses	8	0.25	0.22
Impairment on financial instruments	22	198.96	(24.13)
Other Expenses	23	9,847.07	39.18
Total expenses		12,057.11	930.89
PROFIT BEFORE TAX		(9,969.01)	9,163.97
Tax expenses			
Current Tax	23	-	51.00
Tax of earlier years	23	5.12	-
Deferred Tax	23	(4,497.99)	2,176.38
Total Tax expenses		(4,492.87)	2,227.38
PROFIT FOR THE YEAR		(5,476.14)	6,936.59
Total Comprehensive income for the year		(5,476.14)	6,936.59
Share of profit (loss) of associates and joint ventures accounted for using equity method		118.10	(18.81)
TOTAL PROFIT FOR THE YEAR		(5,358.04)	6,917.79
Share of Other Comprehensive Income in Associate (net of tax)		(77.83)	(11.58)
Total Comprehensive income for the year		(5,435.87)	6,906.21
Earning per equity share:			
Basic		(11.15)	26.97
Diluted		(11.15)	26.97
Significant Accounting Policies	1-48		
The accompanying notes are an integral part of financial statements			
As per our Report of Even Date For Dassani & Associates Chartered Accountants (Firm Registration No.009096C)		For and on behalf of the Board of Directors of Banas Finance Limited	
sd/- CA Churchill Jain Partner Membership Number:		sd/- Girraj Kishor Agrawal [Director] DIN: 00290959	
Place: Indore Date: 26 May 2023 UDIN : 23409458BGWLBL3846		sd/- Prajna Naik [Company Secretary]	
		sd/- Amit Gulecha [Director] DIN: 06964404	
		sd/- Nemichand Saini [CFO]	

BANAS FINANCE LIMITED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2023				
Amount (Rs. In Lakhs)				
Particulars	For the year ended March 31, 2022		For the year ended March 31, 2023	
Cash Flow from Operating Activities				
Profit before tax		(9,969.01)		9,163.97
Adjustment to reconcile profit before tax to net cash flows				
Depreciation	0.25		0.22	
Finance Cost	9.64		10.93	
Bad debts	161.39		152.05	
Bad debts Recovered	(64.00)		(35.00)	
Profit on sale of Investment	-		(302.22)	
Loss on sale of Investment	-		-	
Discount on Loan Amortise	(6.27)		-	
Write off	(18.45)		(3.00)	
Write back	55.94		2.47	
Provision for Expected Credit loss	37.57		(176.18)	
Income From Alternate Investment Fund	(79.33)		(115.24)	
Net Loss/(Gain) on fair value changes	9,722.09	9,818.84	(8,424.59)	(8,890.58)
Operating Profit before Working Capital Changes		(150.17)		273.40
Working Capital adjustments				
(Increase)/Decrease in Loans	714.62		2,194.48	
(Increase)/Decrease in Other financial assets	(647.86)		(484.44)	
(Increase)/Decrease in Inventory	-		-	
(Increase)/Decrease in Other non-financial assets	11.68		43.04	
Increase/(Decrease) in Trade payables	0.95		(6.35)	
Increase/(Decrease) in Other Current Liability	31.47			
Increase/(Decrease) in Borrowing	(38.47)			
Increase/(Decrease) in Other Non Financial Liabilities		72.39	-	1,746.73
Cash Generated From Operations		(77.78)		2,020.12
Income tax paid		5.12		51.00
Net Cash from / (Used in) Operating Activities A		(82.90)		1,969.12
Cash Flow from Investing Activities B				
Proceed from sale of Investment			1,094.71	
Investment made during the year	(4,998.08)		(1,767.75)	
Purchase of Property Plant & Equipment	-		-	
Income From Alternate Investment Fund	79.33		115.24	
Bank Deposits (More than 3 months & upto 12 months)	-		-	
Net Cash from Investing Activities B		(4,918.74)		(557.79)
Net Cash from Financial Activities C				
Proceeds from Issue share capital	2,239.75			
Proceeds from Share Premium	2,239.75			
Finance cost	(9.64)		(10.93)	
Proceeds from borrowings	24.87		138.66	
Repayment of borrowings	(63.34)		(569.36)	
Net cash flow used in financing Activities		4,431.39		(441.63)
NET (DECREASE)INCREASE IN CASH & CASH EQUIVALENTS (A+B+C)		(570.25)		969.70
Cash and Cash Equivalents-Opening Balance		1,120.15		150.46
Cash and Cash Equivalents-Closing Balance		549.90		1,120.15
As per our Report of Even Date For Dassani & Associates Chartered Accountants (Firm Registration No.009096C)				
For and on behalf of the Board of Directors of Banas Finance Limited				
sd/-	sd/-	sd/-	sd/-	
CA Churchill Jain	Girraj Kishor Agrawal	Amit Gulecha		
Partner	[Director]	[Director]		
Membership Number:	DIN: 00290959	DIN: 06964404		
Place: Indore	sd/-	sd/-		
Date: 26 May 2023	Prajna Naik	Nemichand Saini		
UDIN : 23409458BGWLBL3846	[Company Secretary]	[CFO]		

Statement of changes in equity for the year ended March 31, 2023

(A) Equity share capital	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount (Rs. In lakhs)	No. of shares	Amount (Rs. In lakhs)
Equity shares of INR. 10/- each issued, subscribed and fully paid				
Opening	2,56,48,730	2,564.87	2,56,48,730	2,564.87
Add: issue during the year	2,23,97,502	2,239.75		
Closing	4,80,46,232	4,804.62	2,56,48,730	2,564.87

(B) Other equity

1) Current reporting period

h) Current reporting period

Amount (Rs. In lakhs)

Particulars	Reserve and surplus					Total
	Securities premium reserve	Capital Reserve	Other reserves			
			Statutory reserve	General reserve	Retained earnings (surplus / deficit in P & L)	
Balance as at April 1, 2022	5,241.32	2,304.80	1,643.88	56.03	4,367.63	13,613.65
Changes in accounting policy/ prior period errors						
Restated Balance as at April 1, 2022	5,241.32	2,304.80	1,643.88	56.03	4,367.63	13,613.65
Profit for the year					(5,476.14)	(5,476.14)
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	1,643.88	56.03	(1,108.51)	8,137.51
Transferred to/ (from)						
Any other changes	2,239.75					2,239.75
Balance as at March 31, 2023	7,481.07	2,304.80	1,643.88	56.03	(1,108.51)	10,377.26

2) Previous reporting period

2) Previous reporting period					Amount (Rs. In lakhs)	
Particulars	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	13,613.65
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

As per our Report of Even Date
For Dassani & Associates
Chartered Accountants
(Firm Registration No.009096C)

Sd/-
CA Churchill Jain
Partner
Membership Number: 409458

Place: Indore
Date: 26/05/2023
UDIN : 23409458BGWLBK9210

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

Sd/-
Girraj Kishor Agrawal
[Director]
DIN: 00290959

Sd/-
Prajna Naik
[Company Secretary]

Sd/-
Amit Gulecha
[Director]
DIN: 06964404

Sd/-
Nemichand Saini
[CFO]

BANAS FINANCE LIMITED Notes forming part of the Accounts for the year ended 31st March 2023			
Note No.	Particulars	As at March 31st, 2023 Amount (Rs. Lakhs)	As at March 31st, 2022 Amount (Rs. Lakhs)
2	<u>Cash and Cash equivalents</u>		
	Balance with banks		
	- Current Account	7.28	81.94
	Cash on Hand	5.39	9.29
	Bank deposit with maturity of less than 3 months	487.99	1,028.92
	Security deposit	49.25	-
		549.90	1,120.15
3	<u>Bank balance other than cash and cash equivalents</u>		
	Bank Deposits (More than 3 months & upto 12 months)	10.00	10.00
		10.00	10.00
4	<u>Loans (At Amortised Cost)</u>		
	(A) Loans (Repayable on demand)		
	Loan	2,447.53	3,029.24
	Less: Impairment Loss Allowance	-260.30	-222.74
		2,187.23	2,806.51
	(B) Out of above		
	(i) Secured		
	(ii) Unsecured (Repayable on demand)		
	Loans considered Good	2,447.53	2,762.32
	(a)	2,447.53	2,762.32
	Loans considered Doubtful	-	266.92
	Less: Impairment Loss Allowance	-260.30	-222.74
	(b)	-260.30	44.19
	Total (a + b)	2,187.23	2,806.51
	(C) Out of above		
	(i) Public Sector (c)		
	(ii) Others	2,447.53	3,029.24
	Less: Impairment Loss Allowance	-260.30	-222.74
	(d)	2,187.23	2,806.51
	Total (c + d)	2,187.23	2,806.51
		2,187.23	2,806.51
5	<u>Investments</u>		
	Investments in India (a)		
	Equity Instruments		
	(i) Quoted Shares	3,485.74	11,386.72
	(ii) Un-Quoted Shares	1,313.05	1,313.05
	Preferecne Instruments	-	0.18
	Alternate Investment Fund	101.94	294.33
	Gold	-	-
	Property	875.00	875.00
	GOI Bond	3,135.74	-
	Total	8,911.47	13,869.27
	Investments outside India (b)	-	-
	Total (a+b)	8,911.47	13,869.27
6	<u>Other financial assets</u>		
	Securities held for trading	1,433.28	867.57
	Trade receivable	42.35	0.08
	Other financial assets	48.18	8.67
	Advane to Creditors	0.37	-
		1,524.18	876.32

Note No. 6 : Other financial assets						
Particulars	As at	As at				
	3/31/2023	3/31/2022				
	Amount (Rs. In lakhs)	Amount (Rs. In lakhs)				
Securities held for trading	1,433.28	867.57				
Trade receivable	42.35	0.08				
Other financial assets	48.18	8.67				
Advane to Creditors	0.37					
TOTAL	1,524.18	876.32				
OUT OF WHICH						
Trade receivable						
As at 31 March 2023				Amount (Rs. 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	42.35		-	-	-	42.35
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
OUT OF WHICH						
Trade receivable						
As at 31 March 2022				Amount (Rs. 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	-	-	-	-	0
(ii) Undisputed Trade Receivables considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful	-	-	-	-	-	-
(iv) Disputed Trade Receivables considered doubtful		-	-	-	-	-

Note No. 8: PROPERTY, PLANT & EQUIPMENTS										
PARTICULARS	GROSS CARRING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	1st April 2022	Addition	Deletion	31st March 2023	1st April 2022	Expenses for the year	Disposal	31st March 2023	As at 31st March 2023	As at 31st March 2022
Computers	13.56	-	-	13.56	11.33	0.16	-	11.49	2.07	2.23
Air Conditioner	0.31	-	-	0.31	0.08	0.02	-	0.10	0.21	0.23
Mobile	0.72	-	-	0.72	0.65	0.06	-	0.72	-	0.06
Equipments	-	-	-	-	-	-	-	-	-	-
Laptop	0.20	-	-	0.20	0.19	0.01	-	0.20	-	0.01
Total	14.79	-	-	14.79	12.26	0.25	-	12.51	2.28	2.53
Note No. 8: PROPERTY, PLANT & EQUIPMENTS										
PARTICULARS	GROSS CARRING AMOUNT				ACCUMULATED DEPRECIATION				NET CARRYING AMOUNT	
	2021	Addition	Deletion	2022	2021	the year	Disposal	2022	March 2022	March 2021
Computers	13.56	-	-	13.56	11.21	0.12	-	11.33	2.23	2.35
Air Conditioner	0.31	-	-	0.31	0.06	0.02	-	0.08	0.23	0.25
Mobile	0.72	-	-	0.72	0.58	0.07	-	0.65	0.06	0.14
Equipments	-	-	-	-	-	-	-	-	-	-
Laptop	0.20	-	-	0.20	0.19	-	-	0.19	0.01	0.01
Total	14.79	-	-	14.79	12.04	0.22	-	12.26	2.53	2.75

BANAS FINANCE LIMITED			
Notes forming part of the Accounts for the year ended 31st March 2023			
Note No.	Particulars	As at March 31st, 2023 Amount (Rs. Lakhs)	As at March 31st, 2022 Amount (Rs. Lakhs)
7	<u>Deferred tax assets (net)</u> The Balance Comprises Temprrory difference attributable to Tax Losses (CY - DTA, PY - DTL) FV Change (CY - DTA, PY - DTL) Accelerated depreciation (CY - DTA, PY - DTL)	75.10 2,454.53 0.01 2,529.65	- - - -
9	<u>Other non-financial assets</u> Balance with statutory/government authorities	218.96 218.96	179.63 179.63
11	<u>Borrowings</u> At amortised cost Unsecured Loan Repayable on Demand	651.23 651.23	689.70 689.70
12	<u>Other Financial Liabilities</u> Discount on loan purchase Duties and Taxes payable	31.34 0.13 31.47	- - -
13	<u>Deferred tax Assets / liability</u> The Balance Comprises Temprrory difference attributable to Tax Losses (CY - DTA, PY - DTL) FV Change (CY - DTA, PY - DTL) Accelerated depreciation (CY - DTA, PY - DTL)	- - - -	40.29 1,927.55 0.51 1,968.34
15	<u>Other Equity</u> <u>Capital Reserve</u> Balance as per last financial statements Less: Utilized for bonus issue/fresh equity shares Add: Loss on Business Combination Closing balance	2,304.80 2,304.80	2,304.80 2,304.80
	<u>General Reserves</u> Opening Balance (As per the last Balance sheet)	56.03 56.03	56.03 56.03
	<u>Securities Premium reserve</u> Balance as per last financial statements Add: New Equity shares issued during the year at premium Closing balance	5,241.32 2,239.75 7,481.07	5,241.32 - 5,241.32
	<u>Statutory Reserves</u> Balance as per last financial statements Add: Transferred from statement of Profit and Loss Closing balance	1,643.88 - 1,643.88	249.46 1,394.41 1,643.88
	<u>Surplus/(Deficit) in the Statement of Profit and Loss</u> Balance as per last financial statements Profit/ (loss) for the year Less: Net loss on Sale of investments measured at Fair Value through Profit & Loss Less: Transfer to statutory reserve Less: Deletion during the year Add : Share of OCI of Associate Company Closing balance	4,393.56 (5,358.04) - - - (77.83) (1,042.31) 10,443.46	(1,118.24) 6,917.79 - (1,394.41) - (11.58) 4,393.56 13,639.58

Note No 10 : Trade payables

Particulars	As at 3/31/2023 Amount (Rs. In lakhs)	As at 3/31/2022 Amount (Rs. In lakhs)
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises	2.07	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.79	1.92
Total	2.86	1.92

As At 31st March 2023
Amount (Rs. In lakhs)

Particulars	Outstanding for the Following				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
i. MSME	2.07	-	-	-	2.07
ii. Others	0.79	-	-	-	0.79
iii. Disputed Dues- MSME	-	-	-	-	-
iv. Disputed Dues- Others	-	-	-	-	-

As At 31st March 2022
Amount (Rs. In lakhs)

Particulars	Outstanding for the Following				
	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
i. MSME	-	-	-	-	-
ii. Others	1.92	-	-	-	1.92
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

Particulars	As at 31 March 2023	As at 31 March 2022
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			As at March 31st, 2023	As at March 31st, 2022
Equity Share capital			(Rs. In Lakhs)	(Rs. In Lakhs)
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				
48046232 Equity share (P.Y. 25648730 Equity Shares) of Rs. 10 each			4,804.62	2,564.87
Total Issued, Subscribed And Fully Paid Up Share Capital			4,804.62	2,564.87
a) Reconciliation of equity share capital				
Particular	As at 31st March 2023		As at 31st March 2022	
	No. of Shares	Amount (Rs.in Lakhs)	No. of Shares	Amount (Rs.in Lakhs)
At the beginning of the period	2,56,48,730	2,564.87	2,56,48,730	2,564.87
Issued during the year	2,23,97,502	2,239.75		
Bought back during the period	-	-	-	-
*Converted From Re. 1 to Rs. 10 Face Value each	-	-	-	-
Outstanding at the end of the period	4,80,46,232	4,804.62	2,56,48,730	2,564.87
*The F.V. of equity shares were consolidated from Rs.1 per share to Rs. 10 per share on 29th Aug, 2017				
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 will declares and pays dividends in Indian rupees as per Article of Association. 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.				
c) 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 2023		As at 31st March 2022	
	No. of Shares	% of holding	No. of Shares	% of holding
Handful Investrade Private Limited	44,13,185	9.19%	29,63,185	11.55%
Total	44,13,185	9.19%	29,63,185	11.55%
Shareholding of Promoters				
Shares held by promoters at the end of the year				
Promoter Name	No. of Shares as at 31st March 2023	% of total Shares as at 31st March 2023	No. of Shares as at 31st March 2022	% of total Shares
GIR RAJ KISHOR AGRAWAL	10,50,966	2.19%	50,965	0.20%
TANU GIRIRAJ AGARWAL	8,53,270	1.78%	4,000	0.02%
HANDFUL INVESTRADE PRIVATE LIMITED	44,13,185	9.19%	29,63,185	11.55%
AGARWAL BULLION LIMITED	21,33,367	4.44%	3,83,367	1.49%
Total	84,50,788	17.60%	34,01,517	13.26%

BANAS FINANCE LIMITED			
Notes forming part of the Accounts for the year ended 31st March 2023			
Note No.	Particulars	For the Year ended 31st March 2023 Amount (Rs. In Lakhs)	For the Year ended 31st March 2022 Amount (Rs. In Lakhs)
16	Revenue from Operations		
	Sale of Securities	1,337.85	949.70
	Interest Income from Loan	169.34	242.09
	Speculation Business Transaction gain / (Loss)	0.26	-
	Income / (Loss) on future and options	264.96	0.16
		1,772.41	1,191.96
17	Other Income		
	Interest Income	242.05	134.41
	Other Income	6.27	
	Net Gain on fair value changes		8,424.59
	Dividend Income	3.36	6.15
	Bad debt Recovery	64.00	35.00
	Profit on sale of Investment	-	302.22
	Sundry balance written back	-	0.54
		315.68	8,902.91
18	PURCHASE OF STOCK-IN-TRADE		
	Purchase of Securities	2,442.23	1,359.74
		2,442.23	1,359.74
19	CHANGES IN INVENTORIES OF STOCK IN TRADE		
	Changes in Securities held for trading	(565.71)	(489.76)
		(565.71)	(489.76)
20	EMPLOYEES BENEFITS EXPENSES		
	Salaries, Wages and Bonus	121.84	33.14
	Director sitting fees	2.82	1.57
		124.66	34.71
21	Finance Cost		
	Interest on borrowing	9.42	10.93
	Bank Charges	0.22	-
		9.64	10.93

BANAS FINANCE LIMITED			
Notes forming part of the Accounts for the year ended 31st March 2023			
Note No.	Particulars	For the Year ended 31st March 2023 Amount (Rs. In Lakhs)	For the Year ended 31st March 2022 Amount (Rs. In Lakhs)
22	Impairment on financial instruments		
	Expected Credit Loss	37.57	(176.18)
	Bad Debts	161.39	152.05
		198.96	(24.13)
23	Other Expenses		
	Listing Fees	10.50	4.25
	Depository/Share Transfer Charges	15.43	3.27
	Transaction Charges	30.50	3.68
	Printing & Stationary	2.35	-
	Sales Promotion	3.14	1.00
	Auditor fees	1.00	1.00
	Legal & Professional	13.60	13.03
	Membership Charges	0.20	0.20
	Miscellaneous expenses	1.50	0.12
	Loss on trading in Future and Options	-	12.40
	Other Expenses	38.44	0.25
	Net Loss on fair value changes	9,722.09	-
	Rent rates and taxes	8.31	-
		9,847.07	39.18
	Tax expenses		
	Current Tax	-	51.00
	Tax of earlier years	5.12	-
	Deferred Tax	(4,497.99)	2,176.38
		(4,492.87)	2,227.38

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 2023			As at 31 March 2022		
	Unsecured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross Carrying Value	1984.11	267.75	195.67	2762.32	57.92	209.01
Allowance for Expected credit loss	0.00	64.63	195.67	0.00	13.73	209.01
Expected credit loss Coverage ratio	0.00%	24.14%	100.00%	0.00%	23.71%	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**

PARTICULARS	March,31, 2023			March,31, 2022		
	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	6,657.22	-	2,188.05	11,655.12	-	2,188.22
Loans	-	-	2,187.23	-	-	2,806.51
Cash and cash equivalents	-	-	549.90	-	-	1,120.15
Bank balance other than cash and cash equivalents	-	-	10.00	-	-	10.00
Other Financial Assets	1,433.28	-	42.71	867.57	-	8.75
Total	8,090.50		4,977.89	12,522.69		6,133.63
Financial Liabilities						
Trade Payables	-	-	2.86	-	-	1.92
Borrowings	-	-	651.23	-	-	689.70
Other Financial Liabilities	-	-	31.47	-	-	-
Total			685.57			691.61

NOTE 26:- FAIR VALUE HIERARCHY

(a) This section explain 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 deterring 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

PARTICULARS	March,31, 2023			March,31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Investments	6,657.22		2,188.05	11,655.12		2,188.22
Loans			2,187.23			2,806.51
Cash and cash equivalents			549.90			1,120.15
Bank balance other than cash and cash equivalents			10.00			10.00
Other Financial Assets	1,433.28		42.71	867.57		8.75
Total	8,090.50		4,977.89	12,522.69		6,133.63
Financial Liabilities						
Trade Payables			2.86			1.92
Borrowings			651.23			689.70
Other Financial Liabilities			31.47			-
Total			685.57			691.61

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 determined 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 arm's length transaction 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 attributable 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 carrying amount largely 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 Company
2	Tilak Ventures Limited	Associate Company
3	Handful Investrade Pvt Ltd	Promoter Company
4	Amit Gulecha	Managing Director
5	Girraj Kishor Agrawal	Director & CEO
6	Tanu Girraj Kishor Agrawal	Director
7	Girraj Kishor Agrawal HUF	HUF of Director
8	Nemichand Saini	Chief Financial Officer
9	Prajna Naik	Company Secretary
10	Kushagra Agrawal	Relative of Director

b) Transaction with Related Parties:-

Sr. No.	Name of the Related Party	Nature of Transaction	F.Y 2022-23	F.Y 2021-22
1	Tilak Ventures Ltd	Loan Given	0.00	0.50
		Loan Given Repaid	0.00	0.50
		Reimbursement of Expenses	0.00	0.06
2	Girraj Kishor Agrawal	Reimbursement of Expenses	1	-
3	Nemichand Saini	Remuneration	1.20	1.68
4	Tanu Girraj Kishor Agrawal	Remuneration	84.00	
5	Prajna Naik	Remuneration	7.40	5.89
		Reimbursement of Expenses	0.27	0.00
6	Kushagra Agrawal	Remuneration	6.00	0.00

NOTE 28:- EARNING PER SHARES (EPS)

Particulars	As at 31.03.23 Amount in (Rs.)	As at 31.03.22 Amount in (Rs.)
Profit for the year attributable to Equity Shareholders <i>(Amount Rs. in lakhs)</i>	-5358.04	6917.79
Weighted Average Number of Equity Shares Outstanding During The Year (Nos.)	4,80,46,232	2,56,48,730
Basic Per Share (Amount in Rs.)	(11.15)	26.97
Diluted Earnings Per Share (Amount in Rs.)	(11.15)	26.97
Nominal Value of Equity Share (Amount in 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 appropriately 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.

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 Ratio (For Consolidated Financial Statement)

		FY 2022-23	FY 2021-22
A)	Capital to Risk-Weighted Assets Ratio	NA	NA
B)	Tier I CRAR	NA	NA
C)	Tier II CRAR	NA	NA
D)	Liquidity Coverage Ratio	NA	NA

NOTE 34- 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 (Rs. 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 assessee
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

NOTE 35 **Gratuity and Employment Benefit Plan:**

No provision has been made for retirement and employee benefit as per 'AS 15' regarding retirement

NOTE 36 **Capital Commitments:**

The capital commitment as at March 31, 2023 is NIL.

NOTE 37 **Unhedged Foreign Currency Exposures:**

There is no foreign currency exposure outstanding as on 31/03/2023

NOTE 38 **Income/ Expenditure in Foreign Currency:**

There is no Income/ Expenditure in foreign currency as on 31/03/2023

NOTE 39 **Benami Property held:**

There is no Benami Property held by company as on 31/03/2023

NOTE 40 **Wilful Defaulter:**

The Company is not declared as wilful defaulter by any Bank or Financial Institution.

NOTE 41 **Relationship with Struck off Companies:**

The Company has not had any transactions with companies struck off under section 248 of the Companies Act, 1956.

NOTE 42 **Registration of charges or satisfaction with Register of Companies:**

The company does not have any charge as on 31/03/2023.

NOTE 43 **Compliance with approved Scheme(s) of Arrangement:**

The Company has not approved any Scheme of Arrangement in terms of sections 230 to 237 of the Companies Act, 2013

NOTE 44 **Utilisation of Borrowed funds and share premium:**

The Company doesn't have any advance, loan or invested (either from borrowed fund or share premium or any other sources or kind of funds) by the any company to or any other person or entity including foreign entity.

The Company not received any fund from any person or entity including foreign entities, that the company has 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.

NOTE 45 **Corporate Social Responsibility(CSR):**

The company is not required to fulfill any liability under the provisions of section 135 of the Companies Act, relating to Corporate Social Responsibility.

NOTE 46 **Crypto Currency and Virtual Currency:**

The company has not traded or invested in any Crypto currency or Virtual currency.

NOTE 47 **SME Accounting Standard Compliance**

In absence of adequate information relating to the suppliers under the Micro, Small and Medium Enterprises Development Act, 2006, the Company is unable to identify such suppliers, hence the Information required under the said Act, cannot be ascertained.

NOTE 48 **Compliance with number of layers Companies:**

Clause 87 of section 2 of the Act Companies (Restriction on number of Layers) Rules, 2017 is not applicable to NBFC.

As per our Report of Even Date

For Dassani & Associates

Chartered Accountants

(Firm Registration No.009096C)

Sd/-

CA Churchill Jain

Partner

Membership Number:

Place: Indore

Date: 26 May 2023

UDIN : 23409458BGWLBL3846

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

Sd/-

Girraj Kishor Agrawal

[Director]

DIN: 00290959

Sd/-

Prajna Naik

[Company Secretary]

Sd/-

Amit Gulecha

[Director]

DIN: 06964404

Sd/-

Nemichand Saini

[CFO]

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, 2023, and Audited Financial Years ending March 31, 2023 and March 31, 2022. For further details please refer to the section titled '*Financial Statements*' beginning on page 69 of this Draft Letter of Offer.

ACCOUNTING RATIOS

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Basic earnings per Equity Share (₹)	5.024	(11.40)	27.04
Diluted earnings per Equity Share (₹)	5.024	(11.40)	27.04
Return on Net Worth (%)	13.86	(35.14)	42.69
Net Asset Value per Equity Share (₹)	36.26	31.74	63.18
EBITDA (₹)	2,369.774	9,959.12	9,175.13

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 (%)

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Profit for the Year as per Statement of Profit and Loss attributable to Equity Shareholders (₹) (A)	2,433.919	(5,435.87)	6,906.21
Net worth at the end of the year (₹) (B)	1,7422.552	15,248.09	16,204.45
Return on Net Worth (%) [(A)/(B)]	13.86	(31.74)	42.69

Reconciliation of Net asset value Equity Share

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Net Worth (₹) (A)	17,422.552	15,248.09	16,204.45
Number of issued, subscribed and fully paid-up Equity Shares outstanding as at the year ended (Numbers) (B)	480.462	480.462	256.478
Net Asset Value per Equity Share (₹) [(A)/(B)]	36.26	(31.74)	63.18

Reconciliation of Net Worth

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Equity Share capital (₹) (A)	4,804.623	4,804.62	2,564.87
Reserves and Surplus (₹) (B)	12,617.929	10,377.26	13,613.65
Net Worth (₹) [(A)/(B)]	17,422.552	15,248.08	16,204.45

Reconciliation of EBITDA

Particulars	Consolidated Unaudited Limited Reviewed Financial Statements for the half-year ending September 30, 2023	Consolidated Audited Financial Statements for the Financial Years ending March 31,	
		2023	2022
Net Profit/ (loss) after tax (₹) (A)	2,433.919	(5,345.87)	6,906.21
Income tax expenses (₹) (B)	28.091	-4,492.87	2,227.38
Finance Cost (₹) (C)	4.366	9.64	10.93
Depreciation and amortization expense (₹) (D)	0.03	0.25	0.22
Share of profit from associate-other income	96.632	40.27	(30.39)
EBITDA (₹) (A+B+C+D)	2,369.774	9959.12	9175.13

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 142 of this Draft 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 by letter dated [●]. 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 5, 2022	58.00	2,11,701	March 29, 2023	9.77	1,08,633	23.31
2021-2022	January 21, 2022	146.20	5,16,915	April 26, 2021	4.81	36	31.11
2020-2021	March 10, 2021	7.65	3,015	May 29, 2020	0.63	1	3.40

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	Date of High	High (₹)	Volume (Number of Equity Shares)	Date of Low	Low (₹)	Volume (Number of Equity Shares)
May	May 31, 2023	16.86	2,05,650	May 02, 2023	12.00	83,035
June	June 14, 2023	19.99	1,96,040	June 1, 2023	15.63	93,140
July	July 4, 2023	17.50	40,729	July 28, 2023	15.00	40,572
August	August 17, 2023	16.75	3,07,618	August 2, 2023	14.71	56,023
September	September 17, 2023	17.55	64,494	September 4, 2023	15.00	46,934
October	October 23, 2023	25.00	2,53,358	October 4, 2023	16.61	1,24,207

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
October 28,2023	25.00	October 23,2023	19.90	October 27,2023	2,44,053
November 3,2023	21.80	November 3,2023	18.12	November 2,2023	50,490
November 10,2023	22.89	November 6,2023	20.04	November 8,2023	2,22,677
November 17,2023	22.45	November 13,2023	20.22	November 16,2023	54,285

Source: www.bseindia.com

The Issue Price of ₹[●]/- per Equity Share has been arrived at by our Company.

SECTION VIII – LEGAL AND OTHER INFORMATION

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 132 of this Draft 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 Draft 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 132 of this Draft 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 132 of this Draft 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 Draft 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, inter alia, 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 Draft Letter of Offer.

CONTINGENT LIABILITIES OF OUR COMPANY

As per the Financial Statements for the Financial Year ending March 31, 2023, the contingent Liabilities is of ₹2,093.20 Lakhs.

For further details, please refer to section titled '**Financial Information**' beginning on page 69 of this Draft 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	<p>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:-</p> <p>Nature of addition/disallowance amount:</p> <p>a) Addition under Section 68 of share application money ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only)</p> <p>b) Disallowance of listing fees ₹1,00,000.00/- (Rupees One Lakh Only)</p> <p>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 assessee filed the return of income under Section 153C on January 20, 2020, on disclosing the total income of</p>

	<p>₹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:-</p> <p>i) Total Income as per return of income ₹1,38,990.00/- (Rupees One Lakh Thirty-Eight Thousand Nine Hundred and Ninety Only)</p> <p>ii) Add: Addition made in original assessment under Section 143(3)</p> <p>a) Addition u/s.68 of share application monies ₹19,99,20,000.00/- (Rupees Nineteen Crores Ninety-Nine Lakhs Twenty Thousand Only)</p> <p>b) Disallowance of listing fees ₹1,00,000.00/- (Rupees One Lakh Only)</p> <p>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)</p> <p>Add: Addition further made in impugned assessment</p> <p>c) Disallowance of listing fees ₹1,40,000.00/- (Rupees One Lakh Forty Thousand Only)</p> <p>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.</p>		
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)	
	153C	<p>(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;</p> <p>(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;</p> <p>(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.</p>	
	68	<p>(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;</p> <p>(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)</p>	

		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 ₹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	<p>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:-</p> <p>Nature of addition/disallowance amount:</p> <p>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)</p> <p>Adjustment to book profit Under Section 115JB ₹.7,63,600/- (Rupees Seven Lakhs Sixty-Three Thousand and Six Hundred Only)</p> <p>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 assessee filed the return of income under Section 153C on December 12, 2019, the assessee 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 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 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 :-</p> <p>i) Total income as per return of income ₹ 7,87,110/- (Rupees Seven Lakhs Eighty-Seven Thousand One Hundred and Ten Only)</p> <p>ii) Add: Addition made in original assessment under Section 143(3)</p>

	<p>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)</p> <p>e) Disallowance Assessed Total Income ₹ 15,17,898/- (Fifteen Lakhs Seventeen Thousand Eight Hundred and Ninety-Eight)</p> <p>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)</p> <p>Add : Adjustments made in original assessment order u/s 143(3)</p> <p>i) Expenditure related to exempt income ₹7,63,600/- (Seven Lakhs Sixty-Three Thousand Six Hundred)</p> <p>ii) Book Profit ₹12,40,945/- (Twelve Lakhs Forty Thousand Nine Hundred and Forty-Five Only)</p> <p>Being aggrieved, the appellant preferred this appeal.</p>	
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
	153C	<p>(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 Person</p> <p>(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;</p> <p>(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;</p>
	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	

Date of Order	May 27, 2021	
Statement of Facts	<p>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 28/09/2015 on disclosing the total income of Rs. (-)37,04,411/-. The original assessment was completed u/s 143(3) dated 30/12/2017 by Ld. DCIT, Circle-9(2)(1), Mumbai on making the understated addition/ disallowances:-</p> <p>Nature of addition/ disallowance Amount</p> <p>a) Disallowance of interest and expenses of 14A r.w.r 8D Rs.14,71,376/-</p> <p>b) Addition u/s.68 of M/s. Lunkad Textiles Pvt Ltd Rs.68,127/- The Ld. CIT(A) vide order dated 31/05/2019 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.</p> <p>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 18/12/2019, the assessee filed the return of income u/ s.153C on 20/01/2020 on disclosing the total income of Rs.(-)37,07,411/-. During course of assessment, the appellant vide letters dated 05/02/2021, 08/02/2021 and 23/04/2021 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 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 on following the original assessment order u/s.143(3) is stated as under :-</p> <p>Total Income as per return of income Rs.(-)37,04,411/-</p> <p>Add : Addition made in original assessment u/s.143(3)</p> <p>a) Disallowance of interest and expenses u/s 14A r.w.r 8D Rs. 14,71,376/-</p> <p>b) Addition u/s.68 of M/s. Lunkad Textiles Pvt Ltd Rs. 68,127/-</p> <p>Assessed Total Income Rs. 68,127/-</p> <p>Being aggrieved, the appellant preferred this appeal.</p>	
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
	153C	<p>(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;</p> <p>(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;</p> <p>(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</p>
	14A	(4) On facts and circumstances of the case and in Law, Ld. AO erred again in making the disallowance of interest and expenses u/s 14A of Rs.14,71,376/-

		as made in the original assessment order passed u/s 143(3), though such major addition had been deleted, on merits, by Ld. CIT(A);
	68	(5) On facts and circumstances of the case erred again in making the addition u/s.68 of transactions with M/s. Lunkad Textiles Pvt Ltd of Rs.68,127/- as made in the original assessment order passed u/s.143(3) of the Act
	72	(6) Without prejudice, the addition of alleged unexplained cash credit made u/s.68 of Rs. 68,127/- ought to have been set-off with the assessed business loss.
	68	(7) The Ld. AO, before merging the original assessment order u/s.143(3) with impugned assessment order u/s 153C, erred seriously in ignoring the order of Ld. CIT(A) order which had already been merged with the assessment order passed u/s.143(3) of the Act;
	45	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.	Nil	
Status of Matter	Pending.	

(d) Assessment Year: 2016-17

Date of Order	May 28, 2021
Statement of Facts	<p>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: -</p> <p>Nature of addition/disallowance Amount</p> <p>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 assessee 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.</p> <p>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.</p> <p>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:-</p> <p>Total Income as per return of income ₹ (40,64,638/-) (Rupees Forty Lakh Sixty-Four Thousand Six Hundred Thirty Eight Only)</p> <p>Add: Addition made in original assessment u/s.143(3)</p> <p>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)</p> <p>Total Income as per assessment order u/s. 143(3) ₹ (23,17,297/-) (Rupees Twenty-Three Lakh Seventeen Thousand Two hundred Ninety-Seven Only)</p> <p>Add: Addition further made in impugned assessment</p> <p>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)</p>

<p>b. Unexplained Commission u/ s 69C @ 2 percentage ₹52,643/- (Rupees Fifty-Two Thousand Six Hundred Forty-Three Only)</p> <p>Assessed Total Income ₹3,67,510/- (Rupees Three Lakh Sixty-Seven Thousand Five Hundred Ten Only) Being aggrieved, the appellant preferred this appeal.</p>		
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
	153C	<p>(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;</p> <p>(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.</p> <p>(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.</p>
	14A	<p>(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);</p> <p>(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.</p>
	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	

(e) Assessment Year: 2017-18

Date of Order	May 28, 2021	
Statement of Facts	<p>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 section 153C 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).</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
	153C	<p>(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;</p> <p>(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;</p> <p>(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.</p>
	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	Nil.	

section 156 of Income Tax Act, 1961.	
Status of Matter	Pending

(f) Assessment Year: 2018-19

Date of Order	July 27, 2021	
Statement of Facts	<p>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 assessee 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.</p> <p>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.</p> <p>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:-</p> <p>Total Income as per return of income ₹2,30,700/- (Rupees Two Lakh Thirty Thousand Seven Hundred Only)</p> <p>Add : Addition made in assessment</p> <ol style="list-style-type: none"> 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) <p>Assessed Total Income ₹1,17,41,000/- (Rupees One Crore Seventeen Lakh Forty-One Thousand Only) Being aggrieved, the appellant preferred this appeal.</p>	
Grounds of Appeal	Relevant section (s) of IT Act	Ground of Appeal (as per Form 35)
	153C	<ol style="list-style-type: none"> 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; 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; 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))	<ol style="list-style-type: none"> 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	

(g) Assessment Year: 2019-20

Date of Order	July 27, 2021	
Statement of Facts	<p>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).</p> <p>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).</p> <p>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.</p> <p>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</p> <p>a. Disallowance of expenses paid to SEBI ₹10,25,948/- (Rupees Ten Lakh Twenty-Five Thousand Nine Hundred Forty-Eight Only)</p> <p>Assessed Total Loss ₹ (26,43,750)/- (Rupees Twenty-Six Lakhs Forty Three Thousand Seven Hundred Fifty Only). Being aggrieved, the appellant preferred this appeal.</p>	
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 Draft 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 Draft 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 Draft 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 Draft 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 Draft 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 SUBSIDIARY / ASSOCIATES

1) Litigation involving our Associates (Tilak Ventures Limited)

- a) A penalty of ₹28,00,000.00/- (Rupees Twenty Eight Lakhs Only) has been imposed under Section 15HA, 15b of the SEBI Act and 23A(b) of the SCRA Act on our Individual Promoters, Girraj Kishor Agrawal and Tanu Girraj Agarwal and Tilak Ventures Limited (our associate company) of Rs.7,00,000, Rs.7,00,000/- and Rs.14,00,000 respectively and are restrained from accessing the securities market and further prohibited from buying, selling or dealing in securities, either directly or indirectly, in any manner whatsoever, for a period of six months from the date of order. via SEBI's order bearing reference number 'SEBI/HO/IVD/ID13/OW/P/2022/301321/1 dated July, 27 2023', for the violation of the provisions of Regulations 3(a),(b),(c),(d), and 4 of the SEBI (PFUTP) Regulations. Section 12A(a), (b), (c) of SEBI Act, 1992 Regulations 73 of SEBI (ICDR) Regulations, 2009 r/w 301(1) of SEBI (ICDR) Regulations, 2018, clause 43 of the erstwhile listing agreement read with Section 21 of SCRA and Regulation 32 and Regulation 103 of SEBI (LODR) Regulations, 2015.

As on date of this Draft Letter of Offer, the Company has paid-off the levied penalty under protest, however, the Company has filed an appeal in the Securities Appellate Tribunal (SAT), against the said SEBI order and which has been admitted by the SAT (Appeal No. 687 of 2023 and by its Order dated 28.08.2023 has granted an interim stay on the SEBI order.

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.

- b) 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.

As on date of this Draft Letter of Offer, the Company has paid-off the levied penalty under protest, however, the Company has filed an appeal in the Hon’ble Supreme Court of India, against the said SAT order and which has been admitted by the Hon’ble Supreme Court.

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. 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.

(c) Assessment Year: 2013-14

Date of Order	October 14 , 2022
Statement of Facts	<p>The appellant is a company in which public are substantially interested and is listed in Bombay Stock Exchange. During impugned year, the appellant filed its return of income on 30/06/2013 on disclosing the total income of Rs.5,22,060/-. During impugned year, the appellant had made the allotment of equity shares, as under :-</p> <p>No. of shares allotted 62,80,000 shares No. of shareholders 43 share holders Share capital/ premium received Rs. 14,44,40,000/- Share capital/ premium per share Rs. 23 per share Prevailing market price in BSE Rs. 44.10 per share Listing in Stock Exchange Bombay Stock Exchange</p> <p>The Ld. AO reopened the completed assessment on issuing the notice u/s.148 on 31/03/2021. In response, the appellant e-filed the return of income on 31/05/2021 on disclosing the same total income of Rs.5,22,060/-. The Ld. AO provided a copy of recorded reasons on 04/06/2021. In response, the appellant filed the objections on 30/06/2021 on disputing the validity of notice u/s.148 and reasons recorded therein. The Ld. AO passed the Disposal of Objection order, on considering incorrect facts, on 27/07/2021. The appellant preferred a Writ petition before Hon’ble High court of Bombay on challenging the validity of notice u/s.148 and reasons recorded therein. The Hon’ble High Court vide order dated 16/03/2022 quashed the Disposal of Objection order and directed the AO to dispose the objections within 4 weeks and the time limit for passing the assessment order was excluded by 196 days viz. from 01/09/2021 till 16/03/2022 and accordingly, the last date to pass the re-assessment order was on 13/10/2022.</p> <p>Accordingly, Ld. AO issued a notice dated 21/03/2022 on granting an opportunity to dispute the notice u/s.148 of the Act. In response, the appellant vide letter dated 06/04/2022 filed the objections to dispute the validity of notice u/s.148 of the Act. However, Ld. AO rejected the appellant’s contentions and passed the Disposal of Objection order on 07/04/2022. Thereafter, Ld. AO issued the notice u/s.142(1) on seeking the justification of Share premium received from 43 shareholder of Rs.13,81,60,000/-. In response, the appellant e-filed the written submissions alongwith exhaustive documentary evidences on 30/04/2022, 02/05/2022, 03/10/2022, 07/10/2022 and 11/10/2022 to prove the identity and credit worthiness of shareholders and genuineness of transactions as under :- a) Name, address and PAN of the shareholders; b) D-mat account (DPID and client ID) of the shareholders; c) Own Bank statements disclosing the entire sum received through A/c payee cheques; d) Return of allotment filed in Form No. 2 before the Registrar of Companies; e) Share application forms bearing complete names, address, PAN, signature, D-mat details, bank details, etc of the shareholders; f) In-Principle Approval under clause 24(a) of listing agreement issued by the Bombay Stock Exchange on 04/10/2012 of 62,80,000 shares issued @ Rs 23/- per share; g) Final Approval granted by Bombay Stock Exchange on</p>

	<p>04/12/2012 for listing of 62,80,000 shares issued @ Rs 23/- per share; h) Notice of Annual General Meeting (AGM) dated 29/08/2012 issued to shareholders and BSE on proposing to allot 62,80,000 shares to 43 shareholders;</p> <p>i) Special resolution dated 28/09/2012 filed before BSE and Registrar of Companies. The Explanatory notes attached to the Special resolution contains the names, address, number of shares, etc of the shareholders; j) Bhav copy (listing rate) published by Bombay Stock Exchange, wherein the shares of assessee as on date of the allotment viz. 18/10/2012 were traded in range of Rs.44.05 to Rs.44.10 per share; k) Information Memorandum (IM) provided to the shareholders l) Certificates issued by CDSL, NSDL and RTA crediting the newly allotted shares in D-mat accounts of the shareholders;</p> <p>m) Acknowledged copies of replies furnished by certain shareholders in response to notices issued u/s 133(6); n) Adjudication order of SEBI acquitting the appellant and shareholders.</p> <p>The appellant had also requested the AO to provide the copies of the alleged contrary material and replies of shareholders u/s 133(6)/131 for rebuttal and confrontation. However, Ld. AO did not consider the appellant's contentions and relied documents and issued the notice dated 11/10/2022 which did not contain any annexure and date of compliance of such notice. Accordingly, the appellant vide 2 reminder letters filed on 12/10/2022 repeatedly requested the AO to provide the copies of annexure to notice dated 11/10/2022 and also intimate the date of compliance of such notice. However, Ld. AO harshly passed the reassessment order dated 13/10/2022 (last day of passing the order is 13/10/2022) which had been digitally signed on 14/10/2022 and containing DIN generated on 14/10/2022. The details of additions made in the reassessment order is as under :- Total income as per return of income Rs.5,22,060/-</p> <p>Add : Addition made in assessment order</p> <p>a) Addition u/s.68 of share capital/ premium received from 43 shareholders Rs. 14,44,40,000/-</p> <p>-----</p> <p>Assessed Total Income Rs.14,49,64,060/-</p> <p>=====</p> <p>The appellant intends to prefer a Writ Petition before Hon'ble High Court of Bombay on challenging the violation of substantive rights available to the assessee and had filed this appeal on to protect the interest of the appellant.</p>
Grounds of Appeal	<p>The appellant company prefers an appeal against an order u/s 147 dated 13/10/2022 (digitally signed on 14/10/2022) passed by Ld. Asst. Commissioner of Income Tax, Central Circle-8(3), Mumbai on following amongst other grounds each of which are without prejudice to any other :-</p> <p>1.0 On facts and circumstances of the case and in law, the assessment order u/s 147 digitally signed on 14/10/2022 is bad-in-law, since had been passed beyond the exclusion period granted by Hon'ble High Court of Bombay and is barred by limitation;</p> <p>2.0 On facts and circumstances of the case and in law, Ld. AO erred in reopening the completed assessment on issuing the notice u/s.148 in absence of fresh tangible material and without having reasons to believe of escapement of income;</p> <p>3.0 On facts and circumstances of the case and in law, the assessment order passed u/s.147 is bad-in-law, since the disallowance of Capital loss and addition of Share premium u/s.56(2)(viib) alleged in the notice u/s.148 had ultimately not been made in the reassessment order;</p> <p>4.0 On facts and circumstances of the case and in law, Ld. AO erred in passing the assessment order without providing adequate opportunity of being heard and without considering the submissions and documents e-filed on record;</p> <p>5.0 On facts and circumstances of the case and in law, Ld. AO erred in making the addition u/s.68 of Share capital/ premium received from 43 shareholders of Rs.14,44,40,000/-;</p> <p>6.0 The Ld. AO, before making the addition u/s.68 of Share capital/premium of Rs.14,44,40,000/-, ought to have considered the understated vital facts, being;</p> <p>a) The provisions of Sec 56(2)(viib) and 1st Proviso to Sec.68 shall not apply, since the appellant is a company in which public are substantially interested and listed in Bombay Stock Exchange;b)</p>

	<p>The complete identity and creditworthiness of shareholders and genuineness of transactions had been proven on filing the PAN card, confirmation of account, share application forms, own bank statement, Information Memorandum, D-mat statement of shareholders, Return of Allotment, Approvals and disclosures of BSE; c) The entire shares had been allotted in D-Mat a/c of shareholders under the supervision of NSDL, CDSL and Bombay Stock Exchange; d) The appellant had allotted the share capital/ premium @ Rs.23/- share, as against prevailing market price in BSE of Rs.44.10 share;</p> <p>e) The Adjudication order of SEBI acquitting the appellant and shareholders had been filed on record; f) The Ld. AO, inspite of repeated written requests, had not provided the copies of contrary material and replies of shareholders, thereby erred seriously in violating the principle of natural justice;</p>
Litigation Amount	Rs. 14,22,71,120/-
Status of Matter	Pending

(d) Assessment Year: 2014-15

Date of Order	December 19 , 2017
Statement of Facts	<p>The appellant is a listed company in which public are substantially interested and is engaged in the business of buying and selling of shares and trading in derivatives. During impugned year, the appellant had filed its original return of income u/s.139(1) on 25/09/2014 on disclosing the total income of Rs.3,24,040/-. The return was processed u/s 143(1) on 02/02/2015. Thereafter, Ld. AO had received an information from investigation wing that the appellant had incurred fictitious loss in trading in M/s. XPRO Securities Ltd of Rs.65,85,150/-. The appellant e-filed the return u/s.148 on 31/05/2021 on disclosing the same total income of Rs.3,24,040/- and requested to provide a copy of the recorded reasons. The Ld. AO issued the notice u/s.143(2) on 04/06/2021 (received on 30/06/2021) along with recorded reasons. In response, the appellant filed the objections vide letter dated 19/07/2021 on disputing the validity of notice u/s.148 and reasons recorded therein. However, Ld. AO rejected the appellant's contentions and passed the Disposal of Objection Order on 11/08/2021. The appellant challenged the validity of notice u/s.148 and Disposal of Objection Order on filing a Writ Petition before Hon'ble High Court of Bombay. The Hon'ble High Court of Bombay vide order dated 26/04/2022 had set aside the Disposal of Objection Order and directed the Ld. AO to grant personal hearing to the appellant and thereafter dispose the objection on 30/06/2022. The Ld. AO issued the notice u/s 142(1) on 02/05/2022 and provided a list of 18 judicial decisions. In response, the appellant raised the objections on 11/05/2022 on disputing the validity of notice u/s.148 and reasons recorded therein and distinguished the decisions relied by the Ld.AO. The Ld. AO vide notice dated 23/05/2022 provided the information received from the Investigation wing. In response, the appellant vide letter dated 30/05/2022 submitted that the reasons recorded while issuing the notice u/s.148 and approval granted u/s.151 cannot be altered and/or modified and relied on judicial decisions of Jurisdictional High Court of Bombay. However, Ld. AO harshly rejected the appellant's contention and passed the Disposal of Objection Order on 01/06/2022. Thereafter, Ld. AO issued the notices u/s.142(1) dated 02/06/2022, 06/06/2022 and 14/06/2022 on directing the appellant to justify the genuineness of the loss incurred in trading in currency derivatives through alleged manipulative reversal trade on United Stock Exchange of Rs.65,85,150/-. In response, the appellant vide letter dated 21/06/2022 e-filed the submissions along with supporting documents to justify the allowability of loss incurred in trading in currency derivatives of Rs.65,85,150/-. Thereafter, Ld. AO issued the notice u/s.129 on 21/06/2022 on intimating the change of incumbent of the office and thereafter passed the reassessment order u/s.147 on 24/06/2022 on making the disallowance of business loss in trading in currency derivatives of Rs.65,85,150/-. The Ld. AO also made the addition u/s.69C of unexplained commission paid @ 2% of Rs.1,31,703/-.</p> <p>The details of additions/ disallowances made in reassessment order is as under Rs.3,24,040/- :- Total income as per return of income</p>

	Add : Addition/ disallowance made in reassessment a) Disallowance of loss in trading in currency derivative through United Stock Exchange b) Addition of commission paid u/s.69C @ 2% ----- Assessed Total Income =====	Rs. 65,85,150/- Rs.1,31,703/- Rs.70,40,893/-
Grounds of Appeal	<ol style="list-style-type: none"> On facts and circumstances of the case and in law, the re-assessment order passed u/s.147 dated 24/06/2022 is bad in law, since had been passed before expiry of 4 weeks from Disposal of Objection order dated 01/06/2022, being in violation of settled law laid down by Hon'ble Jurisdictional High Court of Bombay in the case of Asian Paints Ltd v. DCIT [308 ITR 195]; On facts and circumstances of the case and in law, Ld. AO erred in issuing the notice u/s.148 in absence of tangible material, on the basis of incorrect information and borrowed satisfaction and without having reason to believe of escapement of income; On facts and circumstances of the case and in law, Ld. AO erred in making disallowance of loss in trading in Currency derivatives of Rs.65,85,150/-; The Ld. AO, before making the disallowance of loss in trading in currency derivatives of Rs.65,85,150/-, ought to have considered the understated vital facts, being; <ol style="list-style-type: none"> The entire transactions had been undertaken on floor of recognized stock exchange at the prevailing market price; The contract-cum-bills, ledger, confirmation of account and bank statements are filed on record to justify the genuineness of loss incurred in trading in currency derivatives; The addition has been made only on the basis or assumption, suspicion and circumstantial evidence as the correctness of documentary evidences has not been doubted in assessment order and no contrary material/evidence and cash trail has been established The addition made relying on general statements of 3rd parties without providing a copy for confrontation and without allowing an opportunity of cross examination is unjustified; 5.0 On facts and circumstances of the case and in law, Ld. AO erred in making the addition u/s.69C of unexplained commission paid for obtaining accommodation entries of Rs.1,31,703/-.	
Litigation Amount	45,00,759	
Status of Matter	Pending	

(e) Assessment Year: 2015-16

Date of Order	December 19 , 2017
Statement of Facts	<ol style="list-style-type: none"> The assessee company filed its return of income on 29.09.2015 declaring a total income of Nil and the same was processed u/s. 143(1) of the Income Tax Act, 1961 (<i>"The Act"</i>). Subsequently the case was selected for scrutiny and assessment was completed and order was passed u/s. 143(3) of The Act vide order dated 19.12.2017 assessing the total income at Rs.70,05,060/-. During the relevant assessment year, the assessee had earned 'Income from Business and Profession' and 'Income from Other Sources'. The Ld.AO while arriving at the total assessed income erroneously without any correlation arrived at the returned total income at Rs.18,024/- as against actual returned income at Rs. Nil. Application has been made u/s.154 as well for rectification of this mistake apparent from records to the Ld.AO.

	<p>4. The Ld.AO in his assessment order has estimated the GP for the assessee with respect to its trading in textile product at 12.06% as against the actual GP of the assessee company at Rs.8,99,714/- working out to 1.359%. Thereby making an addition for difference of 10.701% amounting to Rs.69,87,039/- in the total income of the assessee company. Such addition has been made without any corroborative evidences and merely taking into account average of the GP of the 3 retail textile companies viz:</p> <table border="1"> <tr> <th>Name of the Company</th><th>Gross Profit Ratio For AY 2015-16</th></tr> <tr> <td>V2 Retail Companies</td><td>8.94%</td></tr> <tr> <td>Mandhana Retail Ventures Ltd</td><td>23.84%</td></tr> <tr> <td>Shoppers Stop</td><td>3.39%</td></tr> </table> <p>5. It is pertinent to state that the assessee company produced all the purchase bills and the fact that there is no VAT applicable on purchases/sale of textile product in the form of "fabric". It is also pertinent to state that the assessee company is delaying in textile fabrics and not in garments as deal in by the 3 companies compared by the Ld.AO with the assessee company. In this regard no oppourtunity by way of show cause notice was issued to Assessee Company before making such addition.</p>	Name of the Company	Gross Profit Ratio For AY 2015-16	V2 Retail Companies	8.94%	Mandhana Retail Ventures Ltd	23.84%	Shoppers Stop	3.39%
Name of the Company	Gross Profit Ratio For AY 2015-16								
V2 Retail Companies	8.94%								
Mandhana Retail Ventures Ltd	23.84%								
Shoppers Stop	3.39%								
Grounds of Appeal	<p>5. On the facts and in the circumstances of the case and in the law the Ld. AO has erred in passing the order u/s 143(3) of the "Act" by adding a sum of Rs. 69,87,039/- on adhoc basis @ 10.071 % being differential amount in GP calculated on total purchases of textile fabrics made by the assessee company during the relevant year amounting to Rs.6,52,93,326/- without considering the facts & legal position in this regard.</p> <p>6. On the facts and in the circumstances and in the law, the Ld. AO erred in initiating the penalty proceedings u/s 271(1)(c) r.w.s. 274 of the Act. The appellant pleads that the same be dropped as the appellant has neither concealed any particulars of its income nor furnished any inaccurate particulars while filing the return of income.</p>								
Litigation Amount	Nil								
Status of Matter	Pending								

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, 20213

Except as mentioned in this Draft Letter of Offer, no material circumstances have arisen since the date of last financial statement until the date of filing the Draft 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 have, pursuant to Section 62(1)(a) of the Companies Act, 2013, by a resolution passed at its meeting held on Saturday, November 18, 2023, authorized the Issue;
- b. In-principle approval dated [●] from the BSE Limited to use the name of BSE Limited for listing of the Equity Shares issued by our Company pursuant to the Issue;
- c. The ISIN of the Company is INE521L01030.

OFFICES

Registered Office: E-109, Crystal Plaza, New Link Road, Andheri (W), 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 Saturday, November 18, 2023 approved this Issue inter-alia on the following terms:

Issue Size	Upto ₹ 48,50,00,000/- (Rupees Forty-Eight Crore Fifty Lakhs Only);
Issue Price	₹[●]/- (Rupees [●]) per Right Equity Share issued in 1 (One) Rights Entitlement, (i.e. ₹[●]/- (Rupees [●]) per Rights Equity Share, including a premium of ₹[●]/- (Rupees [●]) per Rights Equity Share); On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price.
Issue Entitlement Ratio	[●]:[●] i.e., Equity Shares for every [●] Equity Shares held by Eligible Shareholders of our Company as on Record Date;
Record Date	[●];

3. 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 [●] from BSE Limited dated [●]. Our Company will also make application to BSE Limited to obtain their trading approvals for the Rights Entitlements as required under the ASBA Circular;
4. Our Company has been allotted the ISIN [●] 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

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 (except through the SEBI order dated July 27, 2023 against Mr. Girraj Kishor Agrawal and Mrs. Tanu Agrawal through Sebi order SEBI/HO/IVD/ID13/OW/P/2022/301321/1 dated July 27, 2023 which was granted interim stay by SAT (Appeal No. 687 of 2023) against the SEBI order No. dated July 27, 2023 via its order dated April 28, 2023.

1. 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. (Except through the SEBI order dated July 27, 2023 against Tilak Ventures Limited (Associate Company) through Sebi order SEBI/HO/IVD/ID13/OW/P/2022/301321/1 dated July 27, 2023 which was granted interim stay by SAT (Appeal No. 687 of 2023) against the SEBI order No. dated July 27, 2023 via its order dated April 28, 2023.
2. 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;
3. Our Company, the Promoters and members of the Promoter Group, and the Directors of our Company have not been declared as fugitive economic offenders;
4. 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;

5. 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 Draft 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 Draft 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 Draft 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 Draft 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.

It is to be distinctly understood that submission of Letter of Offer to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the issue is proposed to be made or for the correctness of the statements made or opinions expressed in the Letter of Offer. This requirement is to facilitate investors to take an informed decision for making investment in the proposed 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 Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft 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 Draft Letter of Offer is current only as at its date of this Draft Letter of Offer.

DISCLAIMER WITH RESPECT TO JURISDICTION

This Draft 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 Draft Letter of Offer has been submitted to the BSE Limited. BSE Limited has given vide its letter dated [●] to use its name in this Draft Letter of Offer. The Disclaimer Clause as shall be intimated by the BSE Limited to us, post-scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with BSE Limited.

Further, BSE Limited does not in any manner:

1. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft 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 Draft 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 Draft 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 Draft 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 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 and the BSE Limited. Accordingly, our Company and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the 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 Draft Letter of Offer, the 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 Draft 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 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 Draft Letter of Offer or date of such information.

The contents of this Draft Letter of Offer, the 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 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 Draft 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 Draft Letter of Offer, the Letter of Offer, and Abridged Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights.

Accordingly, this Draft Letter of Offer, the 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 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 Shareregistry (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 Shareregistry (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 142 of this Draft 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
<p>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</p>	<p>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;</p>

SECTION IX – ISSUE INFORMATION

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 Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, and the Application Form, before submitting the Application Form. Our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft 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.

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 Draft Letter of Offer, 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 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 Registrar 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 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. For details, please refer to the Paragraph titled '*Procedure for Application through the ASBA Process*' on pages, respectively of this Draft 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 155 of this Draft 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.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form) shall be treated as incomplete and shall be rejected. For details see '*Grounds for Technical Rejection*' on page 164 of this Draft Letter of Offer. Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI (ICDR) Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that 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 Draft Letter of Offer.

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, '[●]') 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., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day before the Issue Closing Date, 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 November 18, 2023 in accordance with the provisions of Section 62(1)(a) of the Companies Act.

The Board of Directors in their meeting held on [●] have determined the Issue Price at ₹[●] per Equity Share and the Rights Entitlement as [●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date.

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, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

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 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 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 ₹[●] (Rupees [●] Only) per Rights Equity Share (including a premium of ₹[●] (Rupees [●] Only) per Rights Equity Share) in this Issue.

On Application, Investors will have to pay ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price and the balance ₹[●] (Rupees [●] Only) per Rights Equity Share which constitutes [●]% ([●] percent) of the Issue Price.

The Issue Price for Right Shares has been arrived at by our Company 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 [●] Rights Equity Share(s) for every [●] fully paid up Equity Share(s) held by the Eligible Shareholders 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

Amount payable per Right Equity Share	Face Value	Premium	Total
On Application	₹10.00	₹[●]	₹[●]
Total	₹10.00/-	₹[●]	₹[●]

Each Rights Equity Share is being offered at a price of ₹[●]/- per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share), for every 1 Rights Equity 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. 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.

6. Separate ISIN for Right Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Right Shares. The Right Shares offered under this Issue will be traded under a separate ISIN for the period as may be applicable under the rules and regulations prior to the record date.

7. 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 156 of this Draft 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.

8. 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, '[●]') 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 [●]. 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 2 (Two) Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least 1 (One) day

before the Issue Closing Date, 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 156 RESPECTIVELY OF THIS DRAFT LETTER OF OFFER.

9. Fractional Entitlements

The Right Shares are being offered on a rights basis to existing Eligible Shareholders in the ratio of [●] Right Shares for every [●] Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or is not in the multiple of [●] 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 [●] Equity Shares, such Equity Shareholder will be entitled to [●] 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 [●] 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.

10. 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.

11. 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 [●]. 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+1 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 [●] to [●] (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 156 of this Draft 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.

12. 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 through letter bearing reference number [●] dated [●]. 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 existing Equity Shares are listed and traded on BSE Limited bearing Scrip Code '**BANASFIN**' 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.

13. 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 42 of this Draft Letter of Offer.

14. 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 Draft 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 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.

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 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 Draft Letter of Offer.

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 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 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; or

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars.

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 164 of this Draft Letter of Offer. Our Company, 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 Company, Registrar and Stock Exchanges, 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 Draft 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 158 of this Draft 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 167 of this Draft 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 or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

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.

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 [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] (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+1 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 stock broker 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 paid at the rate of ₹[●]/- 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 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, 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, 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 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, 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

1. 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.

1. 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.

2. 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 and our Company;

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 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 Stock Exchange at www.bseindia.com ;
 - The Registrar to the Issue's web-based application platform at www.purvashare.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, (i) 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 from their own bank account thereat.

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 168 OF THIS DRAFT LETTER OF OFFER.

GENERAL INSTRUCTIONS FOR INVESTORS

1. Please read this Draft 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 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;
5. 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 Draft Letter of Offer;
6. 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;
7. 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.
8. Applications should be (i) 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, (i) 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;
9. 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;
10. 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;
11. 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.
12. 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;

13. 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;
14. 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;
15. 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;
16. 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;
17. 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;
18. 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;
19. 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, SCSBs or the Registrar will not be liable for any such rejections.

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.

Do's for Investors applying through ASBA:

1. 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;
2. 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;
3. 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;
4. 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;
5. 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;
6. 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;
7. 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 for Investors applying through ASBA:

1. Do not apply if you are not eligible to participate in this Issue under the securities laws applicable to your jurisdiction;
2. Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa;
3. Do not send your physical Application to 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;
4. Do not instruct the SCSBs to unblock the funds blocked under the ASBA process;

GROUND 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 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 Draft 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;

Our Company may, in consultation with the Designated Stock Exchange, decide to relax any of the grounds of technical rejection mentioned hereinabove.

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 DEMATERIALIZED 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 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 [●] day, [●], 2021, 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 Draft 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 167 of this Draft Letter of Offer.

Please note that on the Issue Closing Date, (i) 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.

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 may withdraw their Application post the Issue Closing Date.

ISSUE SCHEDULE

Last date for Credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

** 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 two Working Days prior to the Issue Closing Date, i.e., [●], 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 Issue Closing Date.

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 Draft Letter of Offer, the 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 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 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 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
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. Otherwise, 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.

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, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Right Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

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;

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 Draft 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 Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.
2. All enquiries in connection with this Draft 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, Maharashtra 400011;

Contact Number: +91- 022-3199 8810 / 4961 4132 / 4970 0138

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 022-3199 8810 / 4961 4132 / 4970 0138
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 as long as 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.

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 a 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 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 into more than 2 (Two) years prior to the date of this Draft 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 Draft Letter of Offer until the Issue Closing Date.

MATERIAL CONTRACTS FOR THE ISSUE

1. Registrar Agreement dated [●], between our Company and the Registrar to the Issue;
2. Bankers to the Issue Agreement dated [●] among our Company, 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. Registration Certificate of RBI to carry on the NBFI (Non-Bank Financial Institution) activities under Reserve Bank of India Act, 1934 and falls under category of Investment Company bearing Registration no. B-14.01266 dated September 25, 1998.
4. Copies of annual report of our Company for the last three Financial Years ending March 31, 2021, March 31, 2022, March 31, 2023;
5. Copy of unaudited limited reviewed consolidated and standalone financial statements for the half-year ending September 30, 2023;
6. Resolution of our Board of Directors dated Saturday, November 18, 2023, approving the Issue;
7. Resolution of our Board of Directors dated [●], finalizing the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio;
8. Resolution of our Board of Directors dated [●], approving the Letter of Offer;
9. Consents of our Directors, 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;
10. Report on Statement of Special Tax Benefits dated Saturday, November 18, 2023, for our Company from the Statutory Auditors of our Company;
11. In-principle approval issued by BSE Limited dated [●];

Any of the contracts or documents mentioned in this Draft 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 Draft 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 Draft Letter of Offer are true and correct.

SIGNED BY ALL THE DIRECTORS OF OUR COMPANY

**Sd/-
Girraj Kishor Agrawal
Executive Director**

**Sd/-
Vikash Kulhriya
Independent Director**

**Sd/-
Tanu Girraj Agrawal
Executive Director**

**Sd/-
Chirag Goyal
Independent Director**

**Sd/-
Ashish Kachhara
Independent Director**

**Date: November 23, 2023
Place: Mumbai**